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Life Insurance Edition



Did you ever stop to think that just about the only direct contact your policy owner ever has with your Company is through you?

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Thousands of times each day—all over the country—you and your fellow underwriters are representing your companies to the American public.

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Each of us in the life insurance business has a continuing responsibility: to render professional services to the millions of free Americans who stand to benefit by our counsel. Let us not neglect our responsibilities—and our opportunities.

PROVIDENT MUTUAL
LIFE INSURANCE COMPANY OF PHILADELPHIA, PA.

FRIDAY, DECEMBER 11, 1953



Vital Information— at your finger tips!

These tabs represent the table of contents of a very remarkable book. For here is organized, in one volume of 330 fact-filled pages, a wealth of vital information in the advanced fields of estate planning, taxation and business insurance.

This book is a working manual for every New England Mutual specialist in the great, broad field of business insurance. However complex the problem, he has—at his finger tips—a fundamental understanding of the best way to solve this problem.

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The **NEW ENGLAND**  **MUTUAL** *Life Insurance Company of Boston*

THE COMPANY THAT FOUNDED MUTUAL LIFE INSURANCE IN AMERICA—1835

THE NATIONAL UNDERWRITER Life Insurance Edition. Published weekly by the National Underwriter Company, Office of Publication, 175 W. Jackson Blvd., Chicago, Ill., U. S. A. 57th year, No. 50, Friday, December 11, 1953. \$7 per year (3 years, \$18); Canada, \$8 per year (3 years, \$21); Foreign, \$8.50 per year (3 years, \$22.50). 30 cents per copy. Entered as second class matter June 9, 1900, at the post office at Chicago, Ill., under the Act of March 3, 1879.

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The NATIONAL UNDERWRITER

The National Weekly Newspaper of Life Insurance

57th Year, No. 50
December 11, 1953

Brooke Takes Reins of Life Counsel at New York Annual

Association to Eliminate '54 December Rally to Help Reduce Meetings

NEW YORK—As a contribution to the cause of fewer life insurance meetings, the Assn. of Life Insurance Counsel at its annual meeting here decided to forego the meeting that would nor-



Dwight Brooke



Sylvester C. Smith, Jr.

ally be held next December.

It will hold only one 1954 meeting, scheduled for May 17-18 at the Greenbrier hotel, White Sulphur Springs, but presumably many association members

OFFICERS ELECTED

President—Dwight Brooke, Bankers Life of Iowa.

Vice-president—John Barker, Jr., New England Mutual Life.

Secretary-treasurer—Chester L. Fisher, Jr., Metropolitan Life, re-elected.

Executive committee members—Millard Bartels, Travelers; Charles G. Dougherty, Metropolitan; Francis V. Keesling, Jr., West Coast Life; Clarence L. Peterson, Ohio State Life, all reelected; and Dudley Porter, Provident Life & Accident. Members by reason of being the four latest former presidents—L. W. Dawson, Mutual Life; Gerald M. Swanson, Northwestern Mutual; William R. Shands, Life of Virginia, and Sylvester C. Smith, Jr., Prudential.

will be attending the American Life Convention legal section meeting in October. A special committee of Assn. of Life Insurance Counsel will be appointed soon to cooperate with the ALC legal section to see what can be done about implementing the recommendations of the Dawson committee report aimed at reducing the multiplicity of life insurance meetings.

The latter committee, headed by President Louis W. Dawson of Mutual Life, represents both ALC and Life Insurance Assn. of America. In line with its suggestions, the executive committee of ALC in October directed the legal section to invite Assn. of Life Insurance Counsel to join with the legal section in its meeting next

Institute Elects Four Officers, Integrates Press Functions

Four officers were elected and a plan for the integration into the organization of the Institute of Life Insurance of the press bureau function was announced Tuesday following a meeting of directors. Holgar J. Johnson was reelected president.

Arthur C. Daniels, with the institute since its organization and executive assistant since his return from war service, was elected a vice-president with administrative and executive duties.

Richard F. Griffen, vice-president of the J. Walter Thompson advertising agency, was elected a vice-president, with general supervision of the press bureau function and with other executive responsibilities.

Douglas L. Dunbar, secretary since 1944, was elected secretary and treasurer. Miss Margaret E. Gallagher, who joined the institute in 1946, was elected assistant treasurer.

The press bureau staff at the institute, in addition to Dudley B. Martin, director of press relations, will include Chester C. Nash and Jules Kramer, both of J. Walter Thompson Co. Mr. Nash will continue to have editorial responsibility for "Life Insurance News Data" and Mr. Kramer will act in a similar capacity for "Money-Matters." Bruce Fouché will continue in charge of radio and television relations.

Messrs. Griffen, Nash and Kramer will assume their new duties after the first of the year.

October.

Nothing specific was done by the counsel association about accepting this invitation but there will be time for such action at the May meeting, also the naming of members to a joint program committee, if that should prove appropriate.

Dwight Brooke, who succeeds Sylvester C. Smith, general counsel of Prudential, as president is vice-president.

(CONTINUED ON PAGE 23)

OPENS INSTITUTE ANNUAL

Life Insurance Is Responsive to Change: Fitzgerald

Life insurance has helped ease the many economic and social changes through which the country has gone over the years and continues to respond to change, growing and developing with the times, Edmund Fitzgerald, chairman of the Institute of Life Insurance and president of Northwestern Mutual Life, said Thursday in opening the Institute's annual meeting at New York City.

"Vast changes in the economic and social organization of the country altered our whole pattern of living, creating new needs, new stresses, and turning the desires of people into new channels," Mr. Fitzgerald said. "Life insurance enabled people to replace some of the values that had been implicit in the older way of living; it gave peace of mind, a sense of basic security that encouraged men to work better and venture a little more boldly in search of opportunity and advancement."

As new needs have been recognized by those in the life insurance business, a whole range of new policies has been developed to meet those needs.

Impressive as the figures of life insurance ownership are today, however, they fall far short of adequately meeting needs, according to Mr. Fitzgerald. The portion of national income going into life insurance premiums is today less than it was in 1940 and 1941.

"May it not be that the interest of people and their needs for life insurance have been outrunning our distribution and service procedures?" he asked, adding that "we are moving into a political and economic climate that places greater responsibility on the individual and at the same time accords him greater freedom of action and opportunity."

"That is the kind of a climate in which life insurance flourishes," Mr. Fitzgerald concluded.

The luncheon speaker was Dr. Henry M. Wriston, president of Brown University.

Say Gov't Probes Demand Positive Insurance Reaction

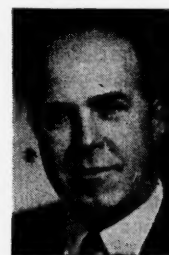
LIA Told Mail Order, Health Hearings Part of Larger Pattern

By ROBERT B. MITCHELL

NEW YORK—The Life Insurance Assn. of America at its annual meeting here heard warnings that the Senate judiciary committee investigation of mail order A & H insurance and the



Morton Boyd



Louis W. Dawson

Wolverton committee hearings on health insurance problems should not be regarded as isolated phenomena but as part of a larger pattern that is of considerable importance to the life insurance business.

Eugene M. Thore, general counsel of LIA, declared that the life insurance

OFFICERS ELECTED

President—Louis W. Dawson, President of Mutual Life.

Directors, three-year terms, Presidents Malcolm Adam of Penn Mutual, George W. Bourke of Sun Life of Canada, Morton Boyd of Commonwealth Life, Asa V. Call of Pacific Mutual and Carrol M. Shanks of Prudential. One-year term President Edmund M. McConney of Bankers Life of Iowa, to complete the term of the late Charles G. Taylor, former president of Metropolitan Life.

industry should take a positive approach in dealing with these situations. He pointed out that the Wolverton committee activities may lead to superimposing a system of federal benefits and hence a possible supervision of voluntary plans that would be thus supplemented, while the Senate judiciary committee mail order investigation will doubtless bring out shortcomings of state regulation.

Robert A. Crichton of American Life Convention's Washington office expressed the view that the insurance commissioners are not taking a sufficiently serious view of the Senate judiciary committee investigation.

The National Assn. of Insurance Commissioners is to appoint a committee to formulate answers for the Senate committee, which is headed by Langer of North Dakota, but Mr. Crichton pointed out that some com-

(CONTINUED ON PAGE 23)

Late News Bulletins . . .

Clark Is Institute of Life Insurance Chairman

NEW YORK—Paul F. Clark, president of John Hancock Mutual, was elected chairman of Institute of Life Insurance at a meeting of the board following the annual meeting here Thursday. He has been a director since 1947 and on the executive committee for two years.

Others elected directors are Frederic W. Ecker, president Metropolitan Life, E. C. Gill, president Canada Life, T. A. Sick, president Security Mutual Life of Nebraska, Cecil Woods, president Volunteer State Life, and Leland J. Kalmbach, president Massachusetts Mutual.

Clarence J. Myers, president-elect of New York Life, was elected a director for two years to fill out the unexpired term of Chairman George L. Harrison of New York Life, who is retiring.

Keith Pan-American Mobile General Agent

Pan-American Life has appointed Dan B. Keith general agent in Mobile. In 1945 he went with Prudential and became assistant manager in Mobile and in 1950 joined Franklin Life as assistant manager of the southeast.

W. C. Carter has joined with Mr. Keith as director of sales.

O'Leary Scans Investment Year, Sizes Up '54 Prospect

Though many economists have indicated concern about the 1954 business outlook, the new year should resemble 1953 in many respects, according to a report delivered at the Life Insurance Assn. annual meeting in New York City by James J. O'Leary, director of investment research.



James J. O'Leary

Mr. O'Leary observed that government debt management and monetary policy again are likely to play dominant roles in determination of interest rates. All informed forecasts predict the federal government will operate at a sizable deficit in calendar 1954, meaning that government demands on the money market could be higher than in any year since the war.

If the government seeks long-term money, competing with private borrowers for non-bank funds, it will exert an upward pressure on interest rates, Mr. O'Leary said. If the government turns to short-term financing, the Treasury will be forced to utilize commercial banking resources, thus tending to increase the money supply and probably bring about an easing of rates.

Taking the economy as a whole, Mr. O'Leary opined it is probable that expenditures will be maintained close to the \$370 billion annual rate recorded in the third quarter of 1953. As a result of the high level of expenditures throughout the economy, he said he expects investment outlets probably will approximate the 1953 totals.

Mr. O'Leary said it is estimated that assets of all U. S. legal reserve life insurers will total \$78.6 billion at the end of 1953. Industrial and miscellaneous bonds will account for about \$15.7 billion, or 20%; public utilities for \$12.9 billion; railroads for \$3.6 billion, and U. S. governments for \$9.8 billion. Mortgage loans, including both business and residential loans, will amount to \$23.3 billion, nearly 30% of the total. Stock holdings are estimated at \$2.6 billion and real estate at \$2 billion. Other important asset accounts are policy loans \$2.9 billion, cash \$1.1 billion, and miscellaneous assets \$2.1 billion.

The disposal of U. S. government

securities continued throughout 1953, but at a much slower pace than in previous years, Mr. O'Leary reported. With year-end holdings estimated at \$9.8 billion, a decline of approximately \$450 million has occurred since Dec. 31, 1952. Last year holdings of U. S. governments declined by \$757 million and in 1951 by nearly \$2.5 billion. The decline in the rate of government bond liquidation reflected a modest reduction in the net rate of investment in the private sectors of the national economy, but the volume still was large, amounting to approximately \$5.6 billion.

Nominal increases are reflected in railroad bond investment, while holdings of public utility bonds increased by nearly \$950 million and of industrial and miscellaneous bonds by \$2 billion. More than \$2 billion of mortgage loans were added, a gain of about \$100 million over the corresponding increase in 1952. Real estate holdings and policy loans each increased less than \$200 million during 1953.

Stock holdings increased about \$150 million during the year, Mr. O'Leary said, adding it should be noted that stocks (except for a few directly placed preferreds) are valued at market, and that changes in dollar holdings may be affected substantially by changes in market prices. Modest purchases of preferred shares seem to be indicated for some New York companies but, as in 1952, companies in that state remained largely inactive in the common stock market.

Mr. O'Leary said acquisitions of new investments totaled \$10.2 billion during the first nine months of 1953, a decline of about \$575 million from the corresponding period of 1952. The decline, however, was primarily in the government sector, these acquisitions amounting to \$2.7 billion as compared with \$3.4 billion. In the private areas of the economy, acquisitions increased by \$100 million. Mortgage loans represented the largest single acquisition, totaling nearly \$3.2 billion, an increase of \$231 million. U. S. governments made up the next largest single acquisition. As in 1952, however, purchase of Treasury bills, most of which mature in about 90 days, accounted for a large volume of these acquisitions.

Net investment earnings before federal income taxes are estimated at \$2.5 billion, Mr. O'Leary stated. This would

be a \$200 million increase. It is expected that the rate of net investment earnings also will be somewhat higher, in the neighborhood of 3.35%. The rate after taxes is estimated at 3.13%.

Noting that substantial progress has been made this year in revising the securities valuations standards used for statement purposes, Mr. O'Leary said the new system approved by commissioners for 1953 reports embraces most of the proposals of the Hubbell plan.

The new system does not permit the companies to value on an amortized basis all bonds not in default, but Mr. O'Leary said it is believed that it does come close to this desirable objective. It sets up two tests for corporate bonds. The first test is designed to dispose of the great majority of bonds held by life companies and known to be of high-grade quality. Under this test, bonds will be amortizable if they are rated in one of the first four rating grades of any of the three established rating agencies. For bonds not so rated, amortization will be permitted if average earnings over the past five years and actual earnings in either of the last two years have covered interest charges one and one-half times before

(CONTINUED ON PAGE 14)

Silberberger Is Appointed General Agent at Dallas

Lloyd Silberberger has been appointed general agent for Connecticut Mutual Life at Dallas, effective Dec. 23. He succeeds E. F. White who will devote his time to pensions and profit-sharing work.

Mr. Silberberger, who has been associated with Mr. White as assistant general agent, began in the business with the company at Dallas in 1935 as an agent, later becoming supervisor, then assistant general agent. He was agency manager at San Antonio from 1942-1945, when he became general agent at Seattle, leaving in 1951 to return to Dallas.

Mr. White, general agent for the company at Dallas since 1933, was one of the first appointed by Connecticut Mutual in Texas.



Lloyd Silberberger

Taffler Ohio State Life Phila. General Agent

Ohio State Life has appointed Maurice Taffler general agent at Philadelphia. Mr. Taffler has been in insurance 15 years.

ALC History Tells Life Insurance Saga

"The American Life Convention—A Study in the History of Life Insurance"—now available at \$15 from Appleton-Century-Crofts of New York City—would attract as much or more nationwide attention than the recent Kinsey report if the business of life insurance were as generally a popular subject as women. As it is, this two-volume work has little chance of receiving a proportionately widespread circulation among the life insurance fraternity because—just as its title implies—it is not only about the ALC, but also a comprehensive look into life insurance in this country, richly interlarded with personalities and activities of important men and organizations in the business that previous historians may have passed by.

Although the original action leading to the development of this history took place in 1946, there followed a seven-year period of research and material evaluation before it was written. After suggestions from time to time for over a period of 25 years by leaders in the industry, that the history of the American Life Convention be written, a history committee was formed, and R. Carlyle Buley, professor of history at Indiana University, was commissioned to compile and write the long-awaited work. Those making up the committee, some now dead, were all past presidents of ALC.

Professor Buley, after receiving his Ph.D. degree at University of Wisconsin, for 10 years taught in Indiana high schools and was assistant principal and head of the history department of Springfield, Ill., high school. After army service in the first world war, he returned to Indiana University (where he had gained his A.B. and M.A. degrees) as instructor in history, later becoming a full professor. He was a Pulitzer prize winner in history in 1951 for his two-volume work—"The Old Northwest—Pioneer Period, 1815-1840." He is also the author of "The Political Balance in the Old Northwest, 1820-1860," and is the co-author of "The Midwest Pioneer—His Ills, Cures and Doctors".

In addition to the time spent in research at the ALC headquarters, Dr. Buley also reviewed the files of insurance trade journals. Going through back issues of THE NATIONAL UNDERWRITER, he was virtually a full-time fixture for some time, having his own door key and the complete run of the

(CONTINUED ON PAGE 22)



Faces at NAIC convention, picture by Harry H. Fuller: Commissioner Larson of Florida; John K. Tilton, Tallahassee attorney; Commissioner Goebel of Kentucky; John Mallett of Kentucky department; R. E. Dineen of Northwestern Mutual Life, and Dennis Sullivan, former Massachusetts commissioner; Eldredge Henning, president of Central Standard Life.

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NAIC Smothers Provocative Issues At Miami Beach

N. Y. Department Suffers Defeat on All Scores; UA Tussle Deferred

National Assn. of Insurance Commissioners at its Miami Beach mid-winter meeting smothered a number of proposals that were causing distress to the industry or at least to important segments of it. On several important scores the association was defeating what was primarily a New York position or program. The New York department left the scene of the fray without even any crumbs. The New Yorkers were obviously groggy when it was all over and were asking in a somewhat jocular vein whether New York had ever been lower on the NAIC totem pole than it is today.

On the all important question of uniform accounting the property insurance people scored an outright and overwhelming victory and the life insurance people were satisfied that a showdown was averted at this time and that the decision was to set up a subcommittee to go into the matter further. On the property insurance side the specific proposal that was causing all the high blood pressure was a paragraph in a report of a joint subcommittee of technicians of the committees on rates and rating organizations and uniform accounting. This recommended in effect that uniform accounting indications be given some recognition in the rate making process. The session at which this matter was debated in the open was the most largely attended and the most exciting period of the convention. The upshot of it was that the committee on rates and rating organizations by a vote of 8 to 4 killed the subcommittee report and the uniform accounting committee gave it the death knell unanimously and then NAIC in its final executive session adopted the reports of these committees.

On the life side, the proposal that was adopted was to set up a subcommittee of the life committee on uniform allocation of income and expense. This was the proposal that was made by Superintendent Bohlinger of New York and that was concurred in by the industry, but in the executive session of the life committee the New York department suffered a defeat. Mr. Bohlinger wanted this subcommittee to consist of technicians but Fischer of Iowa, who subsequently became the new chairman of the life committee, insisted that the subcommittee consist of full commissioners. The Fischer view prevailed.

Another matter that was put to rest was the idea of developing a uniform agent and broker licensing law. The association put the kibosh on that and this is something that probably won't crop up for a long time to come, if ever.

After it appeared likely that proposals and regulations would be given the NAIC blessing in the realm of credit life and credit A&H insurance, these were put over for further study at the last minute. Allyn of Connecticut was responsible for this action as he subscribed to the view that one por-

tion of the rules carries implications of rate regulation in the field of life insurance.

At the laws and legislation committee hearing on the idea of a uniform licensing bill for agents and brokers E. J. Seymour of Monroe, La., president of National Assn. of Insurance Agents, offered a resolution opposing this. He objected especially to the provision in the proposed bill for temporary licensing, saying this would allow transients and incompetents to practice. Agent licensing is a matter for each individual state to handle. It is a question of local situation to be accommodated. Uniformity is undesirable and would lead to more problems than it would solve, he said.

Superintendent Robinson of Ohio expressed "direct" opposition to the bill.

Carlyle Dunaway for National Assn. of Life Underwriters said that his organization endorses the NAIA position 100%.

C. C. Fraizer of H. & A. Underwriters Conference said the subcommittee on this licensing proposition had worked diligently. He said he did not agree with those who say that such uniformity is necessary to meet a federal threat, but he did feel that the proposal for a model bill did have appeal. Here he said is something to start with, particularly for states that do not have skillful legislative draftsmen at hand. In the realm of insurance selling the policy should be to live and let live and that is the philosophy of this bill, he said. Temporary licensing, he said, may have some faults, but there are good features in temporary licensing that outweigh the defects and criticisms. The original bill, he said, didn't grant temporary licensing, but the subcommittee agreed (CONTINUED ON PAGE 18)

Modern Woodmen Names Bangs Investment Manager

Donald A. W. Bangs, vice-president of American United Life, Jan. 1 is joining Modern Woodmen as manager of its investment department. He fills one of the positions left vacant by the resignation of J. M. Fitzsimmons, former treasurer and investment manager who now is president of Investors Diversified Services.

Mr. Bangs has served as vice-president of American United for 10 years, and has been with the company since 1934.



Donald A. W. Bangs

Conn. General Dividends in '54 to Be 21% Greater

Connecticut General Life will pay 21% more in dividends during 1954 than in 1953 on its participating policies. Thirteen per cent of the 21% is due to an upward adjustment in the dividend scale.

Dividends left with the company at interest under participating policies will continue to accumulate at 3% from the policy anniversary in 1954, or the guaranteed rate if higher.

• A. H. Wallace, agent at St. Louis for New York Life, addressed the Leaders Round Table of Arkansas on "Selling Tax and Business Insurance through Estate Planning". The Round Table consists of agents who have sold more than \$250,000 in one year. Its president, Paul Atkinson, is an agent for Penn Mutual.

Days of Hard Work Go into Planning Those Sparkling Million Dollar Round Table Programs

NEW YORK—Probably few outside the Million Dollar Round Table wheel-horses appreciate how much cogitation, conferencing, and plain hard work goes into the preparation of a Million Dollar Round Table program. The 11-man program committee, headed by George B. Byrnes, Equitable Society, Pasadena, just finished up several days of deliberations here in preparation for the 1954 MDRT meeting at Coronado, Cal., June 15-18 and there is still much to be done by correspondence before the program is completed.

Before the meeting here, Mr. Byrnes, who is also vice-chairman of the MDRT executive committee, wrote to all the program committee members and also to all who had served on the 1953 committee, asking them what they thought about the 1953 meeting and what they thought should be on the 1954 program—program content, types of speakers, and names of possible speakers. Mr. Byrnes summarized all this information and sent it to each

committee member.

Thus, each member of the committee, in advance of its New York meeting, had a good idea of what everybody else on the 1954 and 1953 committees had in mind for the 1954 program. When the committee assembled here, the first order of business was to go around the table and let each member state his views verbally. This brought additional material not in the written suggestions and also served to crystallize the thinking. This procedure alone took about two hours.

Incidentally, the program framers don't confine themselves to matters having only to do with business. They may come up with something of much broader interest. For example, a few years ago someone made the point that spiritual matters should have a place on the program, too. The result was the talk of Dr. Norman Vincent Peale, pastor of Marble Collegiate Church, New York City, and widely known (CONTINUED ON PAGE 24)



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FOUNDED IN 1867 IN DES MOINES

Union Casualty & Life Put in Unfair Light at Hearings, Its Executives Say

By ROBERT B. MITCHELL

MOUNT VERNON, N. Y.—Union Casualty Life of Mount Vernon was placed in an unfair light at the recent Congressional subcommittee hearings in Detroit on union welfare funds, according to Dr. Leo Perlman, the company's executive vice-president, who was asked by THE NATIONAL UNDERWRITER to elaborate on the testimony he gave at the hearings.

Dr. Perlman said because much of the questioning was aimed at discrediting James R. Hoffa, president of the AFL teamsters union in the Detroit area, many answers were accepted that were either incomplete or unclear and hence gave a highly distorted picture of the company's role as insurer on several risks on which Mr. Hoffa is either a trustee or the head of the union whose membership is insured.

In connection with the United Public Service Corp. of New York City, mentioned at the hearings as a general

agency and management organization for Union Casualty & Life, the subcommittee attempted to prove that Union Casualty & Life was paying excessive commissions, which were reflected in an increased cost to policyholders.

"It is important to note," said Dr. Perlman, "that the compensation payable to the general agent on group cases consisted not only of commissions for the placement of the business with the company but also of an allowance in return for which the general agent was obligated to perform certain functions that would normally be handled by the insurance company itself."

He listed these as follows: (1) Establish and maintain a claims office for the adjudication of all claims, compute and report to the insurer at the end of each quarter all reserves, and conduct whatever claim studies mentioned at the hearings as a general

tain personnel to complete and issue all certificates; (3) maintain complete file of enrollment cards; (4) assist the company in any premium audits that the company might require; (5) assist in the collection of premiums; (6) perform any other services relating to the administration of the case which the company might require from time to time.

This arrangement with United Public Service Corp. and other general agents enabled Union C. & L. to cut its home office expenses. These expenses and other pertinent data are shown in the accompanying table, along with similar data on stock, casualty, mutual casualty and life companies for comparison, the figures being from the New York insurance department's annual tabulation.

In connection with two union group contracts in Detroit mentioned in the testimony, Dr. Perlman told THE NATIONAL UNDERWRITER that his company was the low bidder on one and on the other, placed the following year, it was two cents above the low bidder but got the business because of satisfactory service on the first case.

A. Maxwell Kunis, vice-president and actuary of Union C. & L., mentioned that retentions, discussed at great length at the hearings, are a technical matter and mean different

tion estimate but nevertheless retain a large portion of the premium because it sets up large reserves, including so-called mortality and morbidity fluctuation reserves," said Mr. Kunis. "Some companies include the group contingency reserve as part of the claim reserves, whereas other companies include the group contingency reserve as part of the retention."

"Some of the retention estimates quoted by those who testified were in the nature of average retentions over a 10-year period, whereas the retention we quoted was applicable only to the first or second policy years. Furthermore, the retention percentage has meaning only if it is related to the premium rate charged. For example, a 10% retention of a \$4 premium rate is superior to an 8½% retention of a \$5 premium rate."

"Unfortunately, the impression left with the public as a result of these hearings was that Union Casualty & Life was retaining 17½ cents out of every dollar of premium collected. The average retention of this company on the basis of the low premium rate charged on one of the cases discussed at the hearing from inception through Sept. 30, 1953, was only 11.9%, compared with the estimated retention quoted in the press of 17½%."

"This means that 88.1 cents out of

Underwriting Ratios

	Losses Incurred	Expenses	Net Gain	Loss Adjustment	Commission & Brokerage	Other Acquisition	General	Taxes and Fees
Stock Companies	81.7	15.5	2.8	2.2	5.5	2.8	2.6	3.4
Mutual Companies	80.8	16.3	2.9	3.1	2.6	4.7	3.4	3.4
Life Companies	80.8	13.5	5.7	1.7	2.7	2.0	4.6	3.4
Union Casualty & Life	83.7	10.9	5.4	4.3	.5	2.0	3.3	3.4

things in different companies. Much publicity was given to a quoted estimated retention by Union C. & L. of 17½%. However, this retention estimate included commissions, taxes, acquisition costs, administration expenses, contingency reserves, and profit.

"A company may quote a low reten-

each dollar in premium was returned to the policyholder in claims and refunds. On another large welfare fund case mentioned in the testimony in which an estimated retention of 17½% was supposed to have been quoted by this company we actually retained from inception through Sept. 30, 1953, only 10.3%, which means that 88.1

TIME TELLS THE TALE

We figured right along that the ideal-sized insurance company is one that is big enough to be big and small enough to be small. That's us.

American United Life is big enough to enjoy the advantages of "bigness": having a desirable geographical distribution of risks; being a factor in the investment market; employing top-flight talent in the home office . . . these advantages go with bigness.

We're small enough to enjoy the advantages of smallness: knowing field men personally; worrying willingly about policyholders' individual problems; seeing our forest and every tree in it . . . these are the advantages of smallness.

Judging by the sales record the boys hung up last year and the year before that, time is proving us right: you can't beat being big enough to be big and small enough to know folks by their first names.

*(Assets about \$100 millions, insurance in force over \$500 millions.)



AMERICAN UNITED LIFE INSURANCE COMPANY

HOME OFFICE, FALL CREEK PARKWAY AT MERIDIAN ST.

INDIANAPOLIS, INDIANA

THESE ARE YOUR Successful Selling Needs



Additional General Agency appointments available in Michigan, Ohio, Indiana, Illinois, Minnesota, Iowa, and Florida R. E. IMIG Agency Vice-President

- 1 A full line of life policies with attractive term riders that offer liberal provisions.
- 2 Complete Sickness, Accident and Hospital coverage with 9 new streamlined policies.
- 3 Home Office training schools.
- 4 Career contracts.
- 5 Production clubs, conventions, awards, excellent sales aids.

A GENERAL AGENCY COMPANY

THE OLD LINE LIFE

INSURANCE COMPANY OF AMERICA

HOME OFFICE: MILWAUKEE



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Senate Mail Order Probe Said Not to Be Dead Duck

WASHINGTON—Federal trade commission will launch a national investigation of frauds in mail order insurance, including health. David Murchison, assistant to FTC Chairman Howrey, says some mail order advertising is "grossly fraudulent and unfairly deceptive."

Meanwhile, there were no indications at the Capitol that the Senate judiciary committee investigation is a "dead duck". On the contrary, the investigating committee staff plans further hearings in January. The hearing held was described as initial, preliminary and fact-finding.

The committee expects to hear Alvin Layne, counsel for Assn. of Insurance Advertisers. Other witnesses are expected, but not as yet named.

James Miller, staff director of the study, has been named executive director of a special commission appointed by President Eisenhower to study and report on Congressional and judicial salaries, with a view to their possible increase. Miller is devoting more time and attention now to this job than to mail order.

Film Shows Successful Use of Handicapped Workers By Bankers Life & Casualty

A documentary motion picture for national distribution, produced in cooperation with the President's committee on employment of the physically handicapped, has been filmed to show how Bankers Life & Casualty has successfully used handicapped people in its home office. Entitled "America's Untapped Asset," it was given its premiere before an audience of Bankers Life employees at the Times Theater in Chicago.

President Eisenhower introduces the subject of employment of the handicapped in the first three minutes of the film, and indicates its deep importance. Then John D. MacArthur, president of Bankers, cites specific experiences of the company in employing dis-

Occidental Units Merge

Occidental Life of California has consolidated several departments in its Los Angeles home office to provide greater flexibility and to take advantage of new developments in office machines.

The premium and commission accounting and agency accounting departments have been merged into the premium and commission accounting department. Manager is Worth Coan. The renewal and cashier departments form the premium collection and recording department with A. L. Hampton as manager.



Ralph Kastner and Lee Shield of ALC at NAIC convention.

abled and elderly people.

The major portion of the picture consists of a tour through the home office, with typical examples shown of the handicapped employees, who number more than 650 of the 2,700 total.

"Once trained," explains the film's commentator, "handicapped people meet every requirement of the job, and at Bankers, they are paid exactly as much as a non-handicapped person doing the same job."

The film closes with a strong appeal by Mr. MacArthur to employers of white collar workers, suggesting that they too investigate the use of handicapped people by their organizations.

Choate, Mutual Benefit, to Retire After 40 Years

H. Lawrence Choate, dean of general agents of Mutual Benefit Life, will retire Dec. 31 after 33 years with the company.

Mr. Choate was appointed general agent at Washington, D. C., in 1925 after four years with Mutual Benefit at Chicago. Since 1949 he has concentrated on brokerage management and personal clients.

The company's CLU pioneer, Mr. Choate qualified in 1928, the first time examinations were given. A recipient of the agency management certificate

awarded by the American College, he is founder and first president of the Washington chapter of the college and served on its national executive committee and in its alumni association.

Hawaii Managers Have Seminar

Life Insurance Managers Assn. of Hawaii held a seminar on the island of Oahu, the meeting taking the form of a panel discussion. Presiding was Ralph M. Nichols, Manufacturers Life.

The association in conjunction with Hawaii Cancer Society is sponsoring a 13-week television program to help educate the public in early detection of cancer.



The New Auditorium Wing at The Greenbrier

In mid-1954, The Greenbrier will offer enlarged and improved facilities for group meetings at famous White Sulphur Springs, West Virginia. The New Auditorium wing will offer groups up to 1,000 the most modern meeting facilities to be found anywhere.

The new addition will have an 8,600 sq.-ft. auditorium with a capacity of 1,075 for meetings and 860 for banquets. A theater with continental style seating and an inclined floor will accommodate 400. Both will have full stages with all facilities, plus the latest projection equipment and P.A. systems. Various sized smaller meeting rooms are also included. The entire wing will be air conditioned.

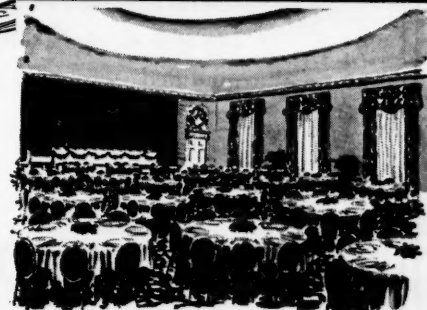
For detailed information about the new meeting facilities, address: DIRECTOR OF SALES



The Greenbrier
WHITE SULPHUR SPRINGS, WEST VIRGINIA

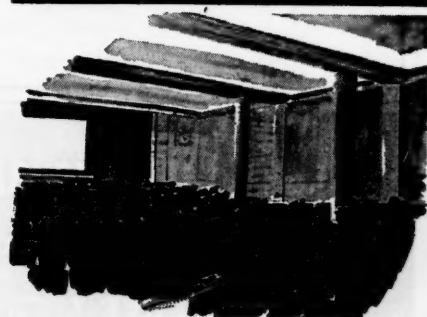
Telephone: White Sulphur Springs 110
Teletype: White Sulphur Springs 166

Or inquire of Greenbrier offices in New York, 588 Fifth Ave., JU 6-5500 • Boston, 73 Tremont St., LA 3-4497 • Chicago, 77 W. Washington St., RA 6-0625 • Washington, Investment Bldg., RE 7-3642



AUDITORIUM set for banquet

Dimensions—72' wide by 112' long. No obstructions. Fully equipped stage 40' x 20', orchestra pit, dressing rooms. Motion picture and slide projection. P.A. system. 110-220v. A.C. power supply with ample outlets. Pantries and kitchens adjoining.



THEATRE

Dimensions 56' x 76'. Inclined floor, continental seating. Fully equipped stage, 40' x 16' (34' proscenium opening), orchestra pit, dressing rooms. Motion picture and slide projection. P.A. system. 110-220v. A.C. power supply.

Executives Profit Greatly by Retirement Contributions

The important part that company contributions to retirement funds play in determining the total compensation of high ranking business executives is brought out in a survey of that general subject just made by American Management Assn.

It shows that these contributions last year were equal to 13% of salaries.

They have been increasing quite steadily for a number of years. In 1951 they rose approximately 15%, but dropped back slightly for the period covered by this report—1952 and part of 1953—and showed the first decrease for several years, 3%.

Total compensation of top executives last year increased less than 1% over the previous year, while the average earnings of production workers in manufacturing industries were up 7.4%.

Sixtieth Year of Dependable Service

★ The State Life Insurance Company has paid \$186,000,000 to Policyowners and Beneficiaries since organization September 5, 1894 . . . The Company also holds over \$81,500,000 in Assets for their benefit . . . Policies in force number 103,000 and Insurance in force is over \$220,000,000 . . . The State Life offers splendid agency opportunities—with liberal contract, and up-to-date training and service facilities—for those qualified.

☆ ☆ ☆

THE STATE LIFE INSURANCE COMPANY

Indianapolis, Indiana

MUTUAL LEGAL RESERVE FOUNDED 1894

GLOBE LIFE INSURANCE COMPANY

Attractive Agency Contracts

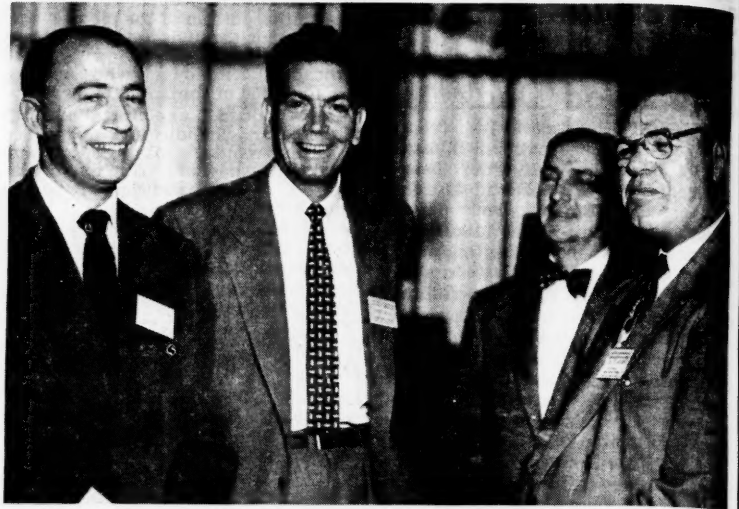
COMPLETE LIFE INSURANCE

COVERAGES—Ages 0-60

For Particulars Write Home Office

159 North Dearborn St., Chicago 1, Illinois

WILLIAM J. ALEXANDER, PRESIDENT



Foursome at commissioners' meeting: Commissioner Burt of South Dakota; Barry Oakes of Bankers Life of Iowa; G. Frank Purvis, Jr., of Pan-American Life and Commissioner Jensen of North Dakota.

Health Project Results Reviewed by Dr. Dublin at Institute Gathering

Heart disease in all its forms will take a toll of more than \$1 billion in life insurance death claims this year, declared Dr. Louis I. Dublin, consultant on health and welfare of the Institute of Life Insurance, at the institute's annual meeting in New York City.

It was because of the growing importance of heart disease, the No. 1 killer in the country, that research in this field was made the first undertaking of the Life Insurance Medical Research Fund, financed by life companies. "The scientists the fund supports have already uncovered many promising leads, justifying confidence that a means will be found to prevent and cure heart disease," Dr. Dublin said, adding this would be a revolution, not only in the life of the average citizen, but in life insurance itself.

Dr. Dublin said that there are other areas which, when properly explored and developed, can produce equally worthwhile results. He mentioned the radio series the institute has been presenting in cooperation with Mutual Broadcasting System, "The Search That Never Ends," which dramatically explores each week a health and welfare subject of particular interest to the people of America.

At the meeting, a dramatized preview was presented of the radio program to be broadcast next Tuesday, entitled, "Conserving Your Heart." The guest speaker was Dr. Francis R. Dieuaide, scientific director of Life Insurance Medical Research Fund.

Managers Elect Robertson

William R. Robertson, general agent for Massachusetts Mutual, has been elected president of General Agents and Life Managers Assn. of Boston. Also elected at the annual meeting were Winslow S. Cobb, Jr., Connecticut Mutual, vice-president; James M. Voss, Union Mutual, treasurer, and Robert W. Boas, John Hancock, secretary.

Standard, Ore. Meeting Set

Among home office personnel scheduled to attend the bi-annual managers meeting Dec. 14-17 at Otter Rock, Ore., of Standard of Oregon are R. R. Brown, president; Edwin A. Phillips, vice-president and agency superin-

tendent; G. E. Cannon, vice-president and actuary; H. E. Whitley, assistant superintendent of agencies; Roy Schofield, assistant superintendent in charge of the A & H department; and William Donnelly, agency assistant.

A total of 13 managers from the five states in which the company does business also will attend.

Kentuckians Aim Guns at Estate Tax on Insurance

LOUISVILLE—Kentucky Assn. of Life Underwriters has made repeal of the state inheritance tax as it affects life insurance one of its principal objectives during the 1954 session of the Kentucky general assembly.

Thomas E. Lipscomb, general agent for Penn Mutual at Louisville, the association's legislative chairman, points out that Kentucky is one of the few states which has a tax liability applying on life policies. In Kentucky it applies where there is a named beneficiary and the policy amount is at least \$20,000.

Because revenue from the state's 2% premium tax has been increasing about \$100,000 annually, insurance men feel this should more than offset the \$100,000 that is obtained each year from the inheritance tax. A bill before the 1952 legislature to raise the exemption amount to \$40,000 failed to get out of committee.

Hinsdale Assistant Actuary

Jefferson Standard Life has promoted Kenneth P. Hinsdale to the new office of assistant actuary. Mr. Hinsdale, a navy veteran, has been with Jefferson Standard since 1948. He is an associate of Society of Actuaries.

Baker Leads Bankers Nat'l Drive

During October, the 26th anniversary for Bankers National Life, a drive was made by the agents to bring insurance in force to one quarter of a billion. A figure of \$251,632,000 was reached.

Harry Baker, Boston general agent, personally wrote and paid for \$1 million. Last year during the drive he also paid for \$1 million. Mr. Baker has been general agent in Boston for 24 years. He is a life member of MDRT.

Tells Proper Use of Insurance

A. R. Jaqua, director of Southern Methodist Institute, in discussing the "proper use of life insurance" before Women's Finance Forum at Bellaire, Tex., explained how insurance should be meshed with social security to obtain maximum benefits from each.

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1953 Seen as Year of Shattered Records in Life Insurance, Bruce Shepherd Tells LIA

In every category of life insurance that can be measured in dollars and cents standards—in new life purchases, increase in insurance in force in the U.S., total amount of in-force as compared with 1952, and in all types of benefit payments—this year has seen a new record established, Bruce E. Shepherd, manager of LIA, told the annual meeting of the association at New York City this week.

Because private spending has been the primary source of our economic activity this year and will become all the more important in sustaining present high levels of production and employment as federal expenditures for national security are reduced, the life insurance record for 1953 is of special interest because this institution provides a vital financial bulwark for American families and individuals against dislocations of spending power, he said.

During 1953, he observed, Americans purchased the largest annual volume of new life insurance on record and brought to a new high the total amount of insurance in force. This new peak, \$39,700,000,000, will be 15% above the previous record volume bought in 1952 and will mark the eighth successive time a new high annual total has been achieved, he said. Breaking down this record amount, he saw \$24,900,000,000 as the total for new ordinary insurance, \$8,400,000,000 for new group, and \$6,400,000,000 for new industrial. Percentage-wise, these figures account respectively for increases of 14%, 26% and 7%.

An estimated net increase of \$27,809,000,000 in total life insurance in force will result from business in 1953, the largest rise in force ever attained in any one year, Mr. Shepherd said. This means, he added, that within the last two months the total amount in force has crossed the third hundred billion mark, just five years after it attained the second hundred billion. It took 12 years to build the second, and nearly 90 years for the first hundred billion, he recalled.

By December 31, he said, total in force on the lives of about 90 million persons in this country is expected to reach \$304,400,000,000, or 10% above the amount in force at the end of last year.

"The phenomenal growth of group life insurance in this short period (five years)," Mr. Shepherd said, "has accounted for about 2% of the increase in the total volume of insurance in force for all classes of insurance combined in this interval. There is now more than twice as much insurance in force under group contracts than under industrial policies." He noted that the total group in force at the end of this year will be \$79,700,000,000, an increase of 18%.

In other life brackets, ordinary at the end of 1953 will total about \$186,600,000, an increase of 8%, and more than double the amount recorded 10 years ago. Industrial in force, expected to be about \$38,100,000,000, will be a 5% increase over last year. "The relatively slower growth of industrial insurance in recent years is pointed up by the fact that it has taken 17 years to double its present volume whereas ordinary insurance has taken 10 years and group insurance only five. At the end of 1936, when the industrial insurance in force total was just under \$19 billion, it was the second largest

class of insurance, although only about 1/4 the ordinary total. Group insurance then trailed industrial by more than \$7 billion but after 1939 the margin between the two classes began to narrow and in 1947 group gained the lead over industrial," Mr. Shepherd related.

He continued his year-end report with the notation that benefit pay-

ments to policyholders under life contracts, annuities and A & H plans had averaged over \$15 million daily this year, and are expected to reach a record total of more than \$5,500,000,000 by year's end.

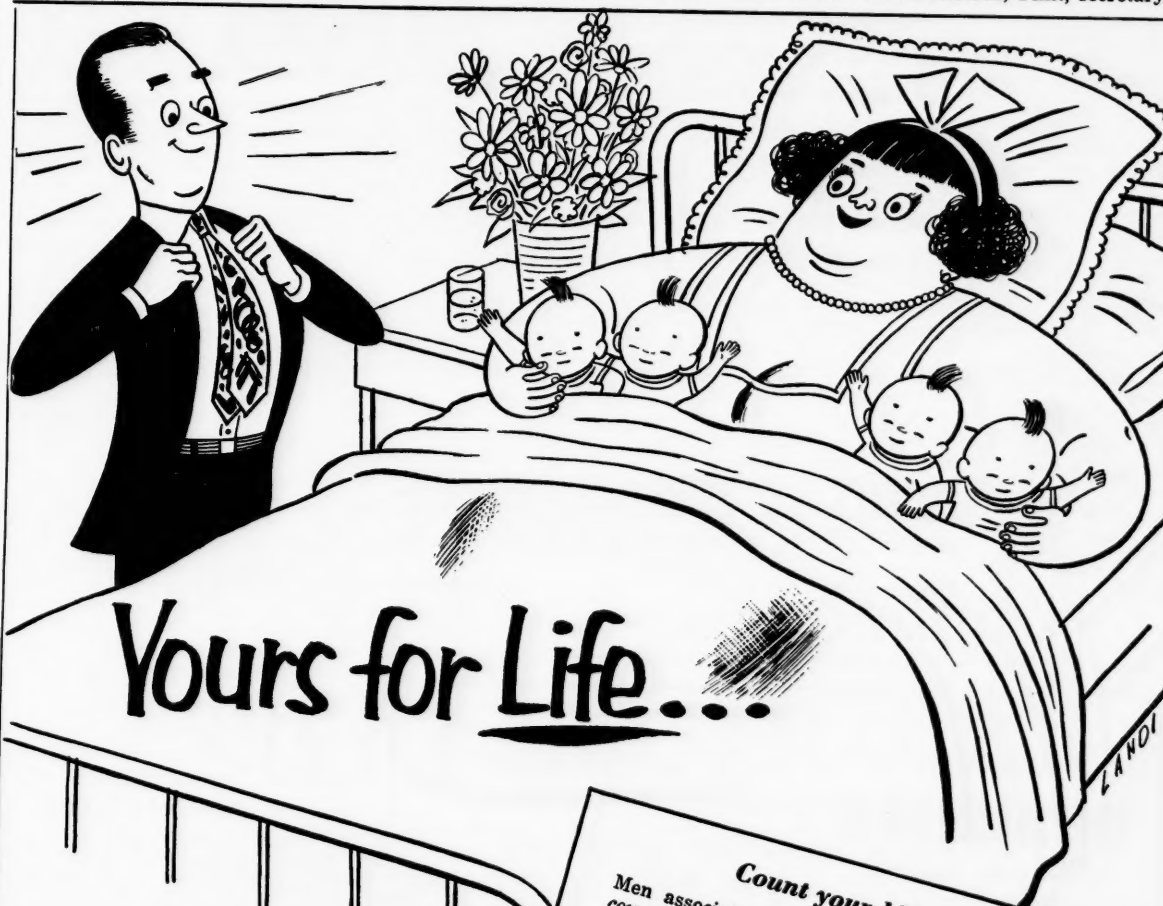
This will represent an increase of 10% over 1952. Excluding A & H payments, benefits will reach a new high of \$4,485,000,000, 8% more than last year, or an increase of almost \$300 million. Broken down, this figure would represent \$1,975,000,000 in benefits to beneficiaries and \$2,510,000,000 in benefits to living policyholders

in life and annuity contracts. A & H benefits alone are expected to be about \$1,050,000,000, a rise of 18%.

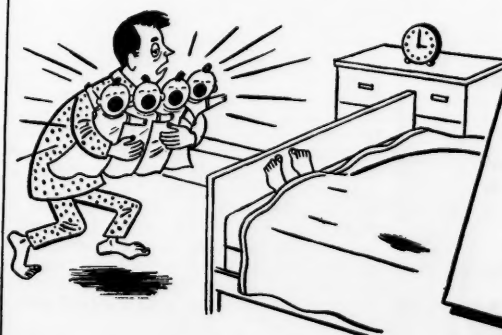
Central Mich. Assn. Elects

Lionel J. Deveraux was named president of Central Michigan A&H Assn. at a meeting at Lansing. Harry O. Culp was named vice-president and John A. Doherty, secretary.

The session was held jointly with the Michigan association, which was represented by Jack Whiting, Detroit, president; Roy Bos, vice-president, and Mrs. Helen Patterson, Flint, secretary.



and Casualty, too



Count your blessings

Men associated with UCLIC are blessed on four counts:

- 1 is a progressive, live-wire organization, growing, expanding, and not afraid to pioneer.
- 2 offers a wide range of policies, with low rates and favorable terms; supported by practical, profit-making promotional aids.
- 3 is staffed with top insurance and organization brains and the efficient, economic office force gives agents fast, accurate, intelligent service.
- 4 gives both general agents and agents an unusually good deal; there is plenty of room for ambitious men to get ahead.

Count your own blessings. If your efforts are not as productive as they should be you should find out how other insurance men have quadrupled their chances of success in life (casualty, too). Write to

ROY A. FOAN, Vice President and Director of Agencies



UNION CASUALTY AND LIFE INSURANCE COMPANY

17 East Prospect Avenue, Mount Vernon, New York

THE CHRISTMAS CANDLE

— faint in illuminating power, yet the most penetrating light of the world. For our people that glowing flame stands as a symbol of renewed faith in our Creator and in our inalienable right to life, liberty and the pursuit of happiness — a great barrier against those who would alter the meaning of American freedom.

May the light of the Christmas Candle shine on you and yours this Christmas Season.



PEOPLES LIFE INSURANCE COMPANY

"The Friendly Company"

Frankfort

Indiana

GUARDIAN

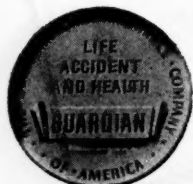
Protection against

"Economic death"

In 1928, and again in 1929, a railroad executive bought GUARDIAN LIFE protection. In 1932 he became totally disabled with tuberculosis.

"Thank you," he writes in 1933, "for all the help and kindness you have shown me throughout my long illness. It is very trying to give up almost everything—an experience that is as hard to bear mentally as physically. I have tried to show my appreciation by telling my friends and relatives how much your help has meant to me and my family."

GUARDIAN'S Disability Income Provision (\$10 per month per \$1,000) is available with all our regular policies—including term—to men ages 15 to 50. Get full particulars from your nearest GUARDIAN office.



LIFE-ACCIDENT AND HEALTH

The GUARDIAN
Life Insurance Company
OF AMERICA

FIFTY UNION SQUARE NEW YORK 3, N. Y.

OVER A BILLION DOLLARS INSURANCE IN FORCE

Present Ways May Not Fit Future, Johnson Tells Institute

RESEARCH IS KEY TO MEETING CHANGES

The swiftness and magnitude of the social and economic changes that have taken place in recent years suggest that the future should be brilliant, provided business management is alert to the significance of the changes, both those that have taken place and those that lie ahead, Holgar J. Johnson, president of the Institute of Life Insurance, said in addressing the annual meeting of the organization at New York City.

Holgar J. Johnson

"We cannot assume that any phase of our business, as conducted today, will be either adequate for tomorrow or that it will fit into the pattern of tomorrow," Mr. Johnson said, calling on business to engage in constant study and research in order to meet the changes.

Nations and businesses do not fear any evolutionary changes, for adjustments can be made, providing everyone is alert enough to know what is going on and what the probabilities of the future may be, he said.

Among the questions asked by the institute president, as needing study in the period just ahead, were:

Can our present agency system, with its preponderance of individual selling, do the job, or must some better and more effective method be found?

Are present types of contracts adequate to meet the public's desires tomorrow?

Will changes in longevity change the approach to underwriting and the pre-

mium structure or even have its effect on our method of distribution?

Does the future forecast new approaches for the investment portfolio, will the position of the United States as a world power create new problems for the investment of funds; will the development of world trade have an effect on our future portfolios?

What about the growth of atomic energy and the speed of transportation? How will these effect business?

Will the new era of electronics change business procedures and create personnel problems?

"These matters all lie within the realm of possibility, even probability," Mr. Johnson concluded. "These things we can foretell by adequate research and a willingness to accept the indications of that research."

Name Committee to Study Overhaul of NALU By-Laws

As a result of discussions between officers, trustees and association leaders at the close of the Cleveland convention of National Assn. of Life Underwriters, Robert C. Gilmore, Jr., Mutual Benefit Life, Bridgeport, president, has appointed a committee to review and "overhaul" the by-laws structure of NALU.

Mr. Gilmore pointed out that since the last overall revision of NALU's by-laws in 1933, they have been amended at 11 different meetings. "In some instances, some of these amendments appear as 'patches on patches' and the time has come for a complete overhaul and the adoption of clearly cut rules and regulations to guide NALU and its state and local associations in the years ahead."

He did not anticipate that the research, studying and careful rebuilding of the by-laws would be accomplished during the present administration, but he agreed with those association leaders with whom he had discussed the problem that the project should be gotten underway as soon as possible.

Accordingly, Mr. Gilmore has appointed a committee, with Judd C. Benson, Union Central Life, Cincinnati, a past president of NALU, as chairman. Other members are Aaron C. F. Finkbinder, Northwestern Mutual, Philadelphia; H. Cochran Fisher, Aetna Life, Washington, D. C.; John D. Moynahan, Metropolitan Life, Berwyn, Ill., also a past president, and M. W. Peterson, Lincoln National Life, Charlotte, N. C., trustee of NALU and chairman of its committee on by-laws.

The committee will review the broad program of activity now being developed by NALU and present a new or revised by-laws structure to conform to those various activities.

Mr. Benson stated he hoped the committee would be ready to make an interim report at the NALU midyear meeting in New Orleans next March, a more comprehensive report at the annual convention in Boston next September and, after gaining the advice of NALU leaders at those two meetings, develop a by-laws structure that could be presented to the annual convention in 1935.

Says Cal. Department Work Is Policing Not Regulating

Maurice D. Rouble, supervising examiner of the California department, speaking before Pacific Coast Actuarial Club at Los Angeles, declared that critics of the California department can be divided into two broad classes, those who feel the commissioner does too much and those who feel he does too little. He said the California commissioner's position probably can be best explained by the difference between the words "regulate" and "police."

"The California philosophy," he commented, "is one of policing, not regulating. The commissioner has no desire and does not tell the companies how to run the insurance business. His function is solely to be the policeman to see that no laws or rules are invalidated. He does not enforce as law or rule any of his personal ideas or notions, only such laws as the legislature has enacted or courts have declared or such rules as he has made within the scope of power specifically granted by the legislature in relation to certain subjects only. He claims no general or inherent rule making power."

He paid high tribute to the actuaries and said that "in over 20 years of examination, to my knowledge we have never had an instance in which an actuary has falsified a reserve valuation."

Samuel L. Tucker has been appointed vice-president and actuary of H. J. McLaurin & Associates, Detroit, pension consultants. He has been a life actuary of the Pennsylvania department and of Philadelphia-United Life and is an associate of Society of Actuaries.

Commission Limits, Reciprocity Among Arizona Proposals

Assn. of Arizona Insurance Companies has filed, under the state's new initiative petition law, two nearly identical measures aimed at further control of life companies in that state. The two measures differ only in that one includes a proposal to prevent life companies from paying more than 66% first year commission on level premium plans.

Duplicated in the petitions are the following proposals: Life insurers doing business in Arizona would be required to invest 75% of their Arizona premiums in state property or securities; a limit of 15% of recovery would be levied in damages against any company which has been found to be guilty of "vexatious delay in payment of claims"; companies of any other state or nation which demand more of Arizona companies as a condition for doing business in their dominion than Arizona demands of out-of-state organizations will be subject to the same requirements met by Arizona companies in these respective foreign territories. This clause is called "reciprocity as to foreign insurers".

Alfred G. Hansen, Phoenix, is president of the Arizona association, and Laurens Henderson, Phoenix, is attorney.

Suggestion by Mass. Mutual Employee Wins \$1,000 Award

Under the Massachusetts Mutual Life's employee suggestion system, Miss Loretta Stomsky, 21, received \$1,000 for suggesting a new method for producing group insurance employee booklets. It is expected to result in an annual saving of \$10,000.

This was Miss Stomsky's first suggestion and her first award. As a member of the group sales department, she noticed that the method of preparing and printing the individual booklets for group policyholders was both expensive and time-consuming. These booklets outline the coverages and provisions of the group plan and are distributed to employees of the company covered by the policy.

Last year Massachusetts Mutual prepared over 220 different booklets, each requiring from two to three weeks. Since much of the material is the same in all the booklets, Miss Stomsky reasoned that a large quantity of standard pages could be printed and stocked, thus reducing to an absolute minimum the number of pages that have to be prepared for a particular policyholder. The sale of at least two new group cases has already been aided by the use of the new booklet.

• Warren L. Johnson has been appointed supervisor in the Lambert M. Huppeler agency of New England Mutual in New York City. He will direct the indoctrination and training of all new agents. He has recently returned to the agency after serving in the air force in Korea since 1950.

• Norman G. Schuessler has joined Mutual Life as loan supervisor for the farm mortgage department. He will have headquarters at San Angelo, Tex.

• Texas Prudential has divided its combination Dallas district, with J. H. Thomas manager and R. W. Veatch assistant manager of one district, and P. B. Bohanon manager and W. D. Abell assistant manager of the other.



R. E. Dineen, Northwestern Mutual Life, former N. Y. superintendent; Ray Murphy, Assn. of Casualty & Surety Companies; James Cahill, National Bureau of Casualty Underwriters; H. T. Richardson, National Council on Compensation Insurance; Ernest Palmer, Lansing Warner organization, and former Illinois director, as he appeared addressing Passe Club luncheon; J. D. McPherson, Alabama department, at NAIC meeting.

Ky. Home Mutual Elects Dawson New President

Richard M. Dawson has been elected president of Kentucky Home Mutual Life, succeeding Ellsworth Regenstein, who is named president emeritus.

Mr. Regenstein also continues as a member of the board and of the executive and finance committees. Still recovering from a recent illness, Mr. Regenstein hopes to resume full connection with the company soon.

Mr. Dawson, now vice-president, will

assume his new duties Jan. 1.

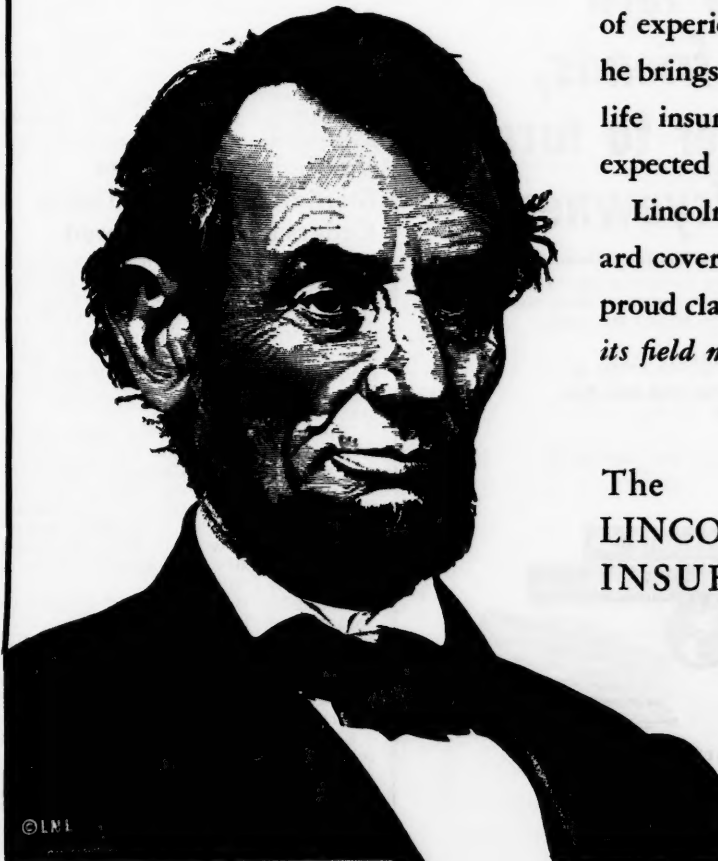
The company also has elected John E. Tarrant and McDonald Gray directors, the former to fill the unexpired term of the late Judge Will H. Fulton, and the latter to succeed A. T. Siler, also deceased.

Broad, Liberal, and Sound

The Lincoln National field man offers substandard coverage as *broad*, as *liberal*, and as *sound* as modern underwriting and actuarial science can make it. Backed

by a company with 41 continuous years of experience in the substandard field, he brings the comfort and protection of life insurance to impaired risks with expected mortality as high as 500%.

Lincoln National's broad, substandard coverage is another reason for our proud claim that *LNL is geared to help its field men.*



The
LINCOLN NATIONAL LIFE
INSURANCE COMPANY

Fort Wayne, Indiana

*Its Name Indicates
Its Character*

CLIENT:
*Do you sell
Life Insurance?*

INDEPENDENT BROKER:
Sure!



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Now, your nearest Connecticut General brokerage office can give you all the advice, specialized service, sales and promotion assistance you need to handle life coverage profitably.

Get the details: Telephone the Connecticut General office nearest you or write us—Connecticut General Life Insurance Company, Hartford, Connecticut.

Connecticut General

We help you turn prospects into friends, because it's easier to turn friends into Policyowners

Pan-American Life Insurance Company offers the following:

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| Fine training | Highly competitive merchandise |
| Excellent sales aids | Career contract for career men |
| One of the Finest Direct Mail Plans (Proven through the years) | |

In Addition —

Unexcelled Home Office Underwriting and Service

**Pan-American's liberal compensation plan includes:
NON-CONTRIBUTORY**

1. Group Life Insurance
2. Group Hospitalization for Representatives and Their Families
3. Pension Plan
4. Disability Benefits

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Meet Mister Liberty ★ ★ ★

to 88,000,000 Americans

The Life Underwriter of America. Liberty to most people means many things, freedom of worship, freedom of speech, the right to live in dignity as freemen.

But to 1 out of every 2 Americans it also means freedom of a more basic nature, freedom, for instance, from want . . .

a freedom fully guaranteed by life insurance protection.

To the Life Underwriters of America belongs most of the credit for broadening this typical American concept of liberty . . . for helping breadwinners everywhere provide a more secure and more trouble-free future for their families.

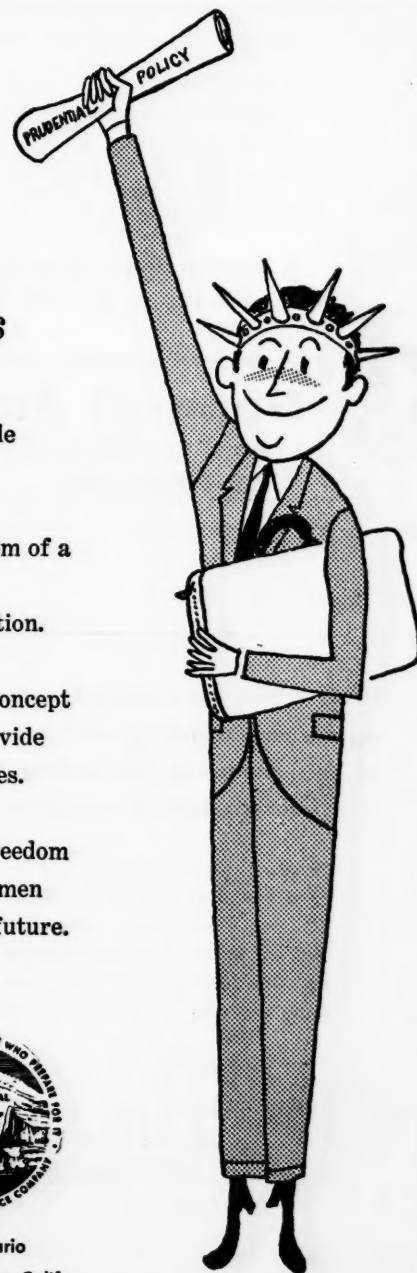
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The Prudential

INSURANCE COMPANY OF AMERICA



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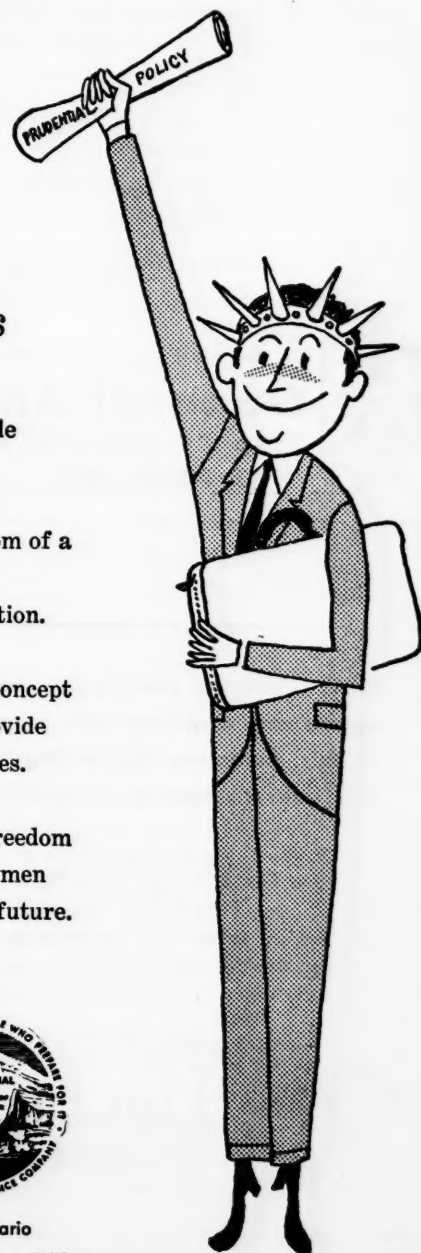
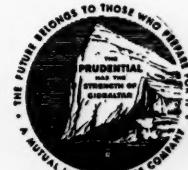
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a freedom fully guaranteed by life insurance protection. To the Life Underwriters of America belongs most of the credit for broadening this typical American concept of liberty . . . for helping breadwinners everywhere provide a more secure and more trouble-free future for their families.

Because of his services to the American family, the Life Underwriter has come to symbolize financial freedom to some 88,000,000 life insurance policyholders . . . men and women whose foresight is strengthening America's future.

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INSURANCE COMPANY OF AMERICA

Home Office: Newark, New Jersey • Canadian Head Office: Toronto, Ontario
Southwestern Home Office: Houston, Texas • Western Home Office: Los Angeles, Calif.



the proof
of the policy
is in the
selling
... and

Masterplan is already a PROVED SALES LEADER

Introduced only a short time ago, MASTERPLAN in its first full two months accounted for 18% of the company's sales. Average size policy was \$6,394.00.

General American men find the versatility of MASTERPLAN popular. Actually MASTERPLAN is many policies in one. It gives the insured the *guaranteed right* to choose later the plan that best meets his needs *then*. It gives cash endowment privileges with continued protection ... offers a sound savings plan where the insured can get back more than he pays in.

MASTERPLAN really "Takes the IF out of LIFE" for the agent as well as the prospect.

For further information write Frank Vesser, Vice President

General American Life

One of the nation's leading mutual legal reserve companies
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"ALL OVER the country life insurance managers and agents are watching with keen interest the program of this Company for putting much greater earnings into your pockets as a means of increasing sales."

So reads the first paragraph of a reprint of a talk delivered to the General Agents of the Philadelphia Life by President William Elliott. This enlightening talk will no doubt prove of interest to you. Why not write today for a free copy of this booklet.



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Protection

PHILADELPHIA LIFE

INSURANCE COMPANY • PHILADELPHIA, PA.

William Elliott
President

Joseph E. Boatner, C.L.U.
Agency Vice President



Personalities at NAIC gathering, pictures by Harry Fuller: Top panel, Commissioner Navarre of Michigan; Ray Smith of A. M. Best Co., and Superintendent Bohlinger of New York. Center, Commissioner Fischer of Iowa, new chairman of NAIC life committee; Laurence Klingler and E. S. Magnuson of Iowa department. Below, Norman Elliott of Virginia corporation commission; Charles G. Dougherty of Metropolitan Life; Oscar Kottler, John A. Skellan and Luther Williams of Pennsylvania department.

Conducts Brokers' Forum

Chester O. Fischer, vice-president of Massachusetts Mutual, presided at a two-day forum for insurance brokers in the greater Philadelphia area. Co-operating were General Agent Gordon S. Miller and Fidelity-Philadelphia Trust Co., and among speakers were James Stephens, pension trust sales manager of Massachusetts Mutual; Frederick G. Rogers, assistant secretary of the trust company, and Graham French, attorney and business insur-

ance consultant.

Among topics covered were prospecting for life insurance by the general insurance broker pension plans, group insurance sales, estate planning, business insurance, etc. The trust company is sponsor of the Fidelity-Philadelphia Trust Co. CLU scholarship.

N. Y. Supervisors Party Dec. 15

The New York City Life Supervisors Assn. will have its traditional Christmas party Dec. 15 at the Drug & Chemical Club.

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O'Leary Reviews Investment Year, Sizes Up Prospects

(CONTINUED FROM PAGE 2)

taxes and if funded debt does not exceed 50 to 75% of total capitalization, the precise amount depending upon the industry involved. Most of the corporate bonds held by life companies meet this test handily. These bonds will be accepted without further question as amortizable for statement purposes, and will carry an annual reserve of 1/20 of 1% per year.

Corporate bonds which fail this test are subjected to a second test. This test provides for a one-time coverage and sets up various requirements in respect to current liabilities, to the availability of cash to meet capital needs, and to other financial matters. Securities which pass this test are also amortizable but they become "Class 2" securities requiring a 1% reserve per year. "Class 2" securities include not only all bonds failing test No 1 but also all stocks.

Certain specific exceptions, such as railroad equipment trust obligations and obligations of non-profit institutions, are provided for in separate paragraphs of the valuation resolution. To take care of the various special situations that arise the commissioners' subcommittee on valuation of securities has discretionary authority to declare a security eligible for amortization even though it does not meet the tests. Conversely, the commissioners also can require market valuation (or its equivalent) of securities that do pass the tests if in their judgment they are too weak to be recorded on an amortized basis, but this is a reservation of authority that it is understood will be used only in extreme cases.

The reserve rules remain the same as those promulgated in 1951 except that the commissioners have established a minimum below which the companies will not be allowed to use reserve funds to offset net capital losses. Statistics on 1953 reserves will not be available until after the end of the year, but it is believed that most companies will be above this minimum.

The industry is hopeful, Mr. O'Leary commented, that these tests will serve to protect surpluses in periods of business declines. As far as can be told at the present time few bonds not in default will fail to pass the tests. This would seem to be true in bad times as well as in good times, though there is as yet no real experience under the rules. The new resolutions have gone a long way toward meeting the valuation objectives of the companies, and while the Hubbell plan has not been adopted in its entirety there is plenty of time for modification after more experience has been obtained with the new system.

The next Congressional session was pictured by Mr. O'Leary as promising to be productive of a large number of legislative proposals in the housing and mortgage lending field, something that will be followed carefully by the life insurance business. He said a joint LIA-ALC committee, headed by Milford A. Vieser, vice-president of Mutual Benefit Life, has studied the problem closely, formulating the following views that have been presented to the President's advisory committee on housing.

1. It is appropriate for the federal government to aid in lending stability to the private home building industry, and the objective of government policy should be to help level off the peaks and fill in the valleys in home build-

ing, at the same time, however, allowing leeway for the inevitable price and production readjustments which are essential in the building field and the market economy as a whole.

2. The idea of federal mortgage insurance is sound, but FHA should return to the function originally intended, namely, purely as an insuring agency to be operated on business principles and with adequate reserves.

3. The basic solution to the problems experienced in recent years in the mortgage market is to make the government-insured and guaranteed mortgage interest rate flexible so that it can reflect and adjust fully to free market forces.

4. Congress should provide discretionary authority, within limits, for the FHA commissioner to fix the various terms of the government-insured and guaranteed loans, such as down payment and period of amortization, but the commissioner should be required to consult regularly with the federal reserve authorities in order to maintain consistency between general credit control policy and the non-interest rate terms on insured and guaranteed loans.

5. The VA home mortgage program should be merged with FHA in a separate title, and regardless of whether this is done, the VA should accept FHA appraisals and inspections, as well as field service and supervision.

6. The program of direct government loans to veterans for the purchase of homes and farmhouses is unnecessary and should be terminated.

7. Operations of the Federal National Mortgage Assn. should be terminated and mortgages held by FNMA should be liquidated just as promptly as is consistent with orderly market conditions.

8. Just as there is no need for FNMA, assuming the adoption of flexible interest rates on insured and guaranteed mortgage loans and the recognition of regional differences in risks, servicing costs, costs of foreclosure, and the like, there is likewise no real need for a central national mortgage bank or fund to replace FNMA, as is currently being urged in several quarters.

Because a principal blind spot in knowledge of the capital market has been the lack of comprehensive sta-

tistics showing the approximate magnitude of funds available, where they come from and how used, Mr. O'Leary said the LIA investment research staff early this year began to assemble data in this area. The statistics developed trace out the net funds furnished by savings institutions, commercial banks, the government, corporations and others for investment in loans and security issues.

The investment staff assembled such sources and used statements already available or that could be readily compiled, eliminating from each the direct investments that would not normally be deemed to have been made through the capital market. The remaining items were consolidated into a single statement and this compared with available independent aggregates to make sure the statistics were comprehensive. The statement is on a net basis, and accounts only for the funds required to clear the market of the increases in outstanding loans and investments. Turnover of securities and funds within the market has been excluded.

Mr. O'Leary said the data showed that the net volume of investment

LIFE WITH PROVIDENT

Pride In Our Management

Since 1892 the Provident has had three presidents — Thomas Maclellan from 1892 to 1916; his son, Robert J. Maclellan (now board chairman) from 1916 to 1952; and his grandson, Robert L. Maclellan, who became president in 1952 after 23 years with the company. This fact, plus the fact that the other Provident executives all have had many years' service with the company, can best be summed up by the phrase "stability of management."

All this adds up to the fact that even the oldest Provident Life Producer is operating today under the same type of progressive management that prompted his original decision to join the company — and he can be sure of operating under the same type of business philosophy in the years ahead.



PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY
Chattanooga—Since 1887

LIFE ACCIDENT SICKNESS HOSPITAL SURGICAL MEDICAL

GUARANTEE FUTURE PROTECTION

With life insurance, carefully planned for your individual family needs by the Praetorians . . . experienced in protective benefits for over 55 years.

SINCE 1898

THE PRAETORIANS

Life Insurance

DALLAS, TEXAS

Another Year of Growth

The Woodmen of the World ends another year of splendid progress and growth . . . in membership, insurance in force, assets and reserves.

Notable is its increase in juvenile membership to nearly 75 thousand. This was boosted by a special campaign in August and September in which 4,807 youths were enrolled with nearly 6 million dollars of protection.

WOODMEN OF THE WORLD

LIFE INSURANCE SOCIETY

Omaha, Nebraska

PROTECTED HOME CIRCLE

SHARON, PA.

FOUNDED IN 1886

A Legal Reserve Fraternal Insurance Society

JOSEPH SPENCER, President

L. D. LININGER, Secretary

SHARON, PA.

funds furnished to the market has more than doubled since 1948 when the market as a whole provided about \$16.6 billion to the American economy. Demand deposits actually declined \$1 billion, but this can be traced to the fact that the U. S. government was retiring securities, many of which were drawn from commercial bank portfolios. If the government had increased the public debt, a much larger supply of funds would have been required.

The 1949 uses, on the other hand, included an increase of \$4.3 billion in the public debt, which the market had to find the funds to finance. A decline in the demands arising from the private sectors of the economy—particularly other loans for inventory—thus offset to some extent a sharp change in the government's requirements, but the total demands upon the market nevertheless were larger than in 1948.

Since the outbreak of the Korean War the funds available to the market from non-bank sources have been supplemented each year with substantial increases in demand deposits. These large increases in deposits not only have supplemented the immediate supply of funds but, by remaining in use as additions to the money supply, also seem to have opened the way for subsequent increases in the sale of life insurance and savings and loan shares, as well as gains in outstanding time deposits. Some of the new money created thus was diverted back to the capital market through the activities of the savings institutions, and the civilian consumers' markets were spared a part of the inflationary consequences that otherwise surely would have befallen the economy.

The net volume of the market rose to \$27.4 billion in 1950, declined slightly in 1951, and then rose to \$34.6 billion in 1952. Latest estimates for 1953 indicate some decline from 1952, but the capital market still will provide approximately \$34 billion this year.

Lee Replaces Cocking

C. P. Lee, for 39 years with Sun Life of Canada at Chicago, has been transferred to Indianapolis as branch secretary. He succeeds E. C. Cocking, who retired after nearly 40 years with the company.

RAY A. MARTIN

Ray Martin, Oklahoma City, Oklahoma, has served capably as a District Manager since he joined the Modern Woodmen agency force in 1947. In his first year, he placed high among the fifty leading agents, and has gained a spot in the select "President's Club" (top 20 producers), placing fourth in 1948 and sixth in 1952. Ray's production, both in new business and Premium Income, will again put him in the President's Club for 1953.



No. 2 in a series of
father-son combinations
in the
Modern Woodmen
Agency Force

THE MARTINS OF OKLAHOMA AND ARKANSAS

KERMIT L. MARTIN

Kermit Martin, Little Rock, Arkansas, Modern Woodmen State Manager for the Wonder State since early in 1952, has brought that state's production to a high level in a short time. Kermit, Ray's son, began his career with Modern Woodmen in 1948 as a Special Agent in California. In 1950 he was given a district managership in his home state of Oklahoma, and his successful record in that capacity for the next two years brought him the Arkansas State Manager appointment.



Increased earnings and the opportunity to "get ahead" are built into the future of the Modern Woodmen agent. If you want a career with a future—one that will give you an opportunity to use your talents to the fullest—there's a place for you at Modern Woodmen.



MODERN
WOODMEN
OF AMERICA

ROCK ISLAND, ILLINOIS
Assets exceed \$178,000,000

Institute Division Heads Catalogue Economic Change

The constant efforts of the Institute of Life Insurance toward meeting changes in social and economic conditions were reviewed at the institute's annual meeting at New York City by four of its division heads.

The whole operation of the press division has to be geared to change, Director Dudley B. Martin said. "Because life insurance does not exist in a vacuum, it has to reflect and give recognition to the social and economic developments that constantly are going about us."

Donald F. Barnes, director of the promotion and advertising division, outlined the institute's current advertising campaign on "How America is Changing," and said that it had evoked more public comment and praise than any campaign previously undertaken.

"We are hoping that in bringing these sound and constructive ideas to the minds of all Americans, there will be nothing so constant as the awareness of change, plus the willingness to do something about the changes that are in truth opportunities today," he said.

The great changes that have come about in recent years in the area of women's responsibilities, needs, interests and opportunities were discussed by Mrs. Marion S. Eberly, director of the women's division.

Edward B. Burr, director of the educational division, told of the tremendous changes that have taken place in educational channels over the years. In line with this, he pointed out, business, labor, church groups, government, philanthropic organizations are more and more fulfilling their responsibilities to education. Millions of children are today being prepared for later life with a fundamental knowledge of life insurance, he said, adding that "we can anticipate new generations of people who have a broader understanding of our product and a more sympathetic attitude toward it." He said this should materially help set the environment in which the business will be operating 10, 15 and 20 years from now.

Central Texas Congress Conducted at San Antonio

Marion Findalay, Jefferson Standard Life, and Johnny B. Longley, American General Life, presided at morning and afternoon sessions respectively of Central Texas regional sales congress at San Antonio, which was attended by representatives of life underwriter associations from Bryan, Temple, Waco and Austin.

Among speakers were R. L. McMillon, Business Men's Assurance at Abilene, who declared there is too much emphasis on education in the training of a life agent, and if a man is not happy in the business after two or three years, he should leave it; V. W. Kelley, Amicable Life at San Antonio, who said a man's death does not create a problem, but often prevents its solution, which he defined as a regular income for his family.

Others were L. Mortimer Buckley, New England Mutual at Dallas, who offered eight points to consider in purchasing insurance: A "clean-up" fund, readjustment fund, emergency fund, income for children until they are able to work, annuity for the wife, a life income after working years are over, educational fund for the children, retirement fund; T. W. Cathey, American National at Paris, Tex., and Mrs. Marie G. Chambers, director of the licensing division of the Texas life department.

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COMPANIES

Berkshire Drive Wipes Record Slate Clean

Berkshire Life shattered all previous records during its annual Berkshire boosters campaign in October and November. More than \$11,500,000 of new life insurance and annuities was paid for in the two-month drive, which saw A&H premiums amount to more than \$47,000.

The Miami agency, headed by General Agent Andrew Kakoyannis, led the country in paid life volume, and leading agency in per cent of attained quota was the Dore general agency at Detroit. Edward J. Dore, Jr., topped individual producers, winning the "distinguished salesman award". Clarence G. Meeker, Albany, led in A&H volume.

The S. S. Wolfson trophy, awarded to the Berkshire agency with the best all-around campaign performance, was won by the Stevenson agency, Pittsburgh. S. Samuel Wolfson, New York general agent, was campaign director.

Republic National Achieves Half Billion in Force Mark

Republic National Life has passed the half-billion-dollar mark in insurance in force, making the company the only one in Dallas to achieve this point in 25 years of operation.

Since Public National Life of Arkansas was merged with the company in 1937, Republic National's business has increased from \$10 million of insurance in force to the present half-billion. Assets have increased from \$900,000 to approximately \$65 million.

United Service Life Asks 50% Increase in Stock

United Service Life has asked stockholders' approval of a proposed 50% increase in capital stock and authority to increase the number of directors from 9 to 15.

If approved, it is planned to transfer \$100,000 from surplus to capital, increasing capital stock to \$300,000, which Executive Vice-president Thomas L. Bourke said would qualify the company to sell insurance in all states. An additional 10,000 shares of \$10 par stock will be distributed to shareholders as a stock dividend.

Meanwhile, under an offer involving sale of company stock at \$120 a share, which expired Dec. 1, purchasers are acquiring 7,047 shares.

The purchasing group, headed by Maj. Gen. George H. Olmstead, retired, president of Bankers Security Life, has proposed election of the following six additional directors: Vice-Admiral Patrick N. L. Bellinger, president Virginia Assn. of Electric Cooperatives; Brig. Gen. Willard Holbrook, president Federal Services Finance Co.; Col. Elery C. Huntington, president Morris Plan; Lt. Gen. Elwood Quesada, vice-president Olin Industries; Maj. Gen. Lief J. Sverdrup, president Sverdrup & Parcel, Inc., and General Olmstead.

7% Gain for Homesteaders

Homesteaders Life of Des Moines has recorded more than a 7% gain in sales through November of this year as compared with the 11-month period of 1952. Leading agency for November was the H. Baird Whitaker agency of Denver and leading agent was Jack W. London, of that agency.

Guarantee Mutual Up 30%

November, 1953, saw a 30% gain in new paid business written by Guarantee Mutual Life, as compared with the same month of last year. Leading

agency was the Anthony Novara agency at Detroit, and high man among producers was J. H. Fletcher, Jr., Seattle. Top in A&H sales was the E. D. Stemsrud agency, Minneapolis.

The November record was the result of the five-star roundup campaign, celebrating the introduction earlier this year of the new five-star agents and general agents contract, awarded to outstanding company men.

Equitable, Iowa, Gains

November paid production of Equitable Life of Iowa, \$10,542,470, was a 9.9% gain over November, 1952. This brought to \$115,084,794 the total for the first 11 months of 1953, the greatest gain for this period in the history of the company. Insurance in force increased to an all-time high of \$1,293,006,133.

The Seattle Bell agency was national leader with a paid total of \$506,682.

Revises Preferred Rates

Capitol Life of Denver has revised rates and the minimum amount required in connection with its preferred risk ordinary life policy. The minimum has been increased from \$5,000 to \$10,000.

CHANGES

R. K. Rolfsness Succeeds Hoefflin as General Agent

Pacific Mutual has named Robert K. Rolfsness general agent at Seattle, succeeding Walter R. Hoefflin, who will continue with the company.

Mr. Rolfsness, who has won the national quality award for the past six years, is immediate past president of Seattle Life Underwriters Assn. Mr. Hoefflin went with Pacific Mutual in 1923 at the Los Angeles home office agency, was appointed supervisor of agencies in 1932, and general agent at Seattle in 1944.

Wright, Blessing Are New Penn Mutual Gen'l Agents

Penn Mutual Life has named two new general agents, Frederick Wright at Philadelphia and John H. Blessing, Jr. at Davenport, Ia. Mr. Wright has been director of new organization and Mr. Blessing a member of the com-

pany's general agents in training group. George E. Kirk, former Davenport general agent, will continue with the agency in personal production.

Mr. Wright, who will head a third Philadelphia agency, joined the com-




Frederick Wright



John H. Blessing, Jr.

pany in 1935 with the Faser agency at New York City. He later went to Boston as supervisor and in 1942 was appointed general agent at Springfield, Mass. Following naval service, he was named general agent at Syracuse, going to the home office in 1950 to direct the new organization program.

Mr. Blessing, also a navy veteran, started with Penn Mutual in 1946 and later served as district manager and supervisor at Toledo.



EVERY MEMBER of the FAMILY

**The bulk of the protection should be on the life of the
income-producer of the family, of course.**

**But the uncertainty of the future applies to every mem-
ber of the family, and the death of any one of them brings
an economic shock greater today than ever before.**

**We have always offered Life Insurance on every member
of the family, including the baby.**

The NATIONAL LIFE and ACCIDENT *Insurance Company*

INCORPORATED

Home Office: NASHVILLE, TENNESSEE

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PENNSYLVANIA

FRANK M. SPEARMAN

CONSULTING ACTUARY

ASSOCIATE

E. F. Higgins

THE BOURSE PHILADELPHIA

Paul Revere Names Beach Jacksonville General Agent

James W. Beach has been named general agent at Jacksonville, Fla., for Paul Revere Life. He succeeds George S. Fagerstrom, who resigned to devote his full time to personal sales work.



James W. Beach

Professional Insurance Corp.

Prudential Makes N. J., Buffalo, Chicago Changes

Prudential has made several changes affecting managers in Buffalo, Chicago and New Jersey.

Melvin J. Gooden, formerly manager in Chicago's Jefferson Park district, has been named manager for the Highland district, also Chicago; Edward N. Redder, regional supervisor at Rochester, N. Y., becomes manager for the Queen City (Buffalo) district; and as a result of the retirement of Louis J. Illis as manager at Garret Park (Paterson), the following shifts have been made: John D. Stuffle goes from Bayonne to Garret Park, succeeding Mr. Illis; Julius E. Bader replaces Mr. Stuffle at Bayonne, and Charles F. Lehmann takes over Mr. Bader's duties at Union City.

Mr. Gooden, who succeeds Byron Notter, retired after 26 years as Highland district manager, joined the company as an agent at Chicago in 1937 and went to Jefferson Park as manager in 1947. Mr. Redder went with the company in 1946 as an agent at Auburn, N. Y., became manager there in 1948, supervisor in 1950, and later training consultant in the home office. In 1952 he went to Rochester as regional supervisor. He succeeds Lewis C. Slesnick, retired after 29 years with Prudential.

Mr. Illis, retiring manager at Garret Park, has been there since 1945. Mr. Bader has been at Union City for eight years, and Mr. Lehmann for 20 years has headed the Journal Square (Jersey City) district, which is being discontinued.

Bankers, Ia., Raises Spotz

William F. Spotz has been appointed field supervisor for Bankers Life of Iowa. He will assist Eastern Agencies Superintendent William J. Steen in a district which includes agencies in 16 cities.



William F. Spotz

Mr. Spotz, who has been supervisor in the Wigginton agency at Pittsburgh, joined Bankers in 1951. He has served as supervisor since then except for a return to service with the air corps in 1951-53. He also served in World War II.

Mr. Spotz entered life insurance as an agent for State Mutual Life at Pittsburgh. In 1949 he became life manager of a Pittsburgh general insurance agency.

Pacific Mutual Names 8

The following men have been assigned by Pacific Mutual to regional group offices as home office representatives: Donald D. Davis and Herbert H. Oman to Los Angeles; John F. Ste-

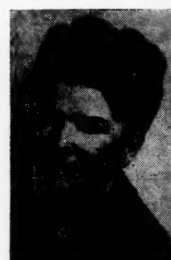
wart to San Francisco; Michael G. Evans to Dallas; Eugene M. Lyons to Houston; Philip J. Anzalone to Seattle; Marion A. Pitts to Washington, D. C.; and Donald E. Johnson to Cleveland.

All eight men recently completed the company's home office training program.

Agents Honor Mrs. Gibbs,

Retiring at Cal-Western

When Mrs. Stella Gibbs, assistant director of education and training of California-Western States Life, retired recently she was presented with a check for a trip to Hawaii by the members of the company's field organization, El Capitan Leading Producers Club.



Mrs. Stella Gibbs

Mrs. Gibbs became an agent for the company in 1922 shortly after her husband Guy V. Gibbs, a promising young attorney, died. This was at a time when there were very few women in life insurance selling. She consecutively qualified for each company convention and her average renewal ratio for all the years she was in the field exceeded 90%. She was a member of the company's Millionaires' Club. In 1933 she became one of the first women to gain the CLU designation.

In 1940 she went to the home office to head the organization of the women's division. The training courses she developed for women became the basis for the company's new manual written expressly for wives of new agents.

Holland Sees More Records in Store for Insurance

Benjamin L. Holland, president of Phoenix Mutual Life, predicted that life insurance is on the threshold of its greatest growth and the end of this year will see a record amount of insurance owned by a record number of people. Mr. Holland spoke at a conference of the company's Tennessee agents held in Knoxville.

Great-West's Best Month

Great-West Life has reported over \$38 million of new business during November, the largest month in its history. The year-to-date total, \$327,549,000, exceeds the full year's business for 1952.

Harry Beube, Hamilton, was leading



Commissioner Sheehan of Minnesota with George Wells, president of Northwestern National Life, at NAIC meeting.

agent with more than \$688,000, H. E. Birk, Minneapolis, was U. S. leader with \$360,000.

Winnipeg led the company for the month with new business in excess of \$2,051,000 and the Earl M. Schwenn Chicago agency was second with \$1,854,000. Nine branches showed totals of more than \$1 million for November.

Why AMERICAN MUTUAL LIFE IS A GOOD COMPANY TO REPRESENT

* SALABLE MERCHANDISE

1. Policies from one day to 65
2. Waiver of Premium plus Income Disability
3. Non-medical up to \$5000.
4. Special Term Riders.

* LIBERAL COMPENSATION

1. Career contracts available.
2. Special Brokerage contracts.
3. Persistency bonuses.
4. Full commission on preferred risk policies.

* A HELPING HAND

1. H. O. Training Schools.
2. Prize Winning Sales Aids.
3. Regional Meetings.
4. Production Clubs Conventions.

A General Agency Company

Write H. S. McConachie
Vice Pres.

AMERICAN MUTUAL LIFE INSURANCE COMPANY

DES MOINES 7, IOWA

Mutual Savings Life



Announces

A Unique "Package"

Surgical operation and dismemberment benefits may be added to most life contracts for an added premium of \$1.25 (male) per \$1,000 of insurance. With this benefit, a \$5,000 policy would provide up to \$250 per year for major surgical operations and up to \$1250 for special dismemberment losses.

Direct agency openings in Ohio, Ind., Iowa, Ky., Miss., Mo. and Ark.

Write to J. DeWitt Mills, Supt. of Agents

Mutual Savings Life

5701 Waterman

St. Louis 12, Mo.

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ACCIDENT

Rural Group Found Good A&H Insurance Field

H. & A. Underwriters Conference companies active in the rural group feel there are some vexing problems tied to selling farm folk A & H insurance, but generally the business is good and the companies wish they had more of it.

A recent survey of those companies pointed up these chief problems: (1) lack of participation in the group; (2) lack of accurate research and records; (3) poor initiative of key personnel responsible for premium collection; (4) underwriting older persons.

Underwriting was found to follow two main patterns: Through farm marketing associations, patron groups and cooperatives, usually covered by group or franchise type insurance, and through county farm bureaus, generally on a group basis, but with some characteristic variations.

Group Men Hear Orsini

Group Supervisors Assn. of New York at its Dec. 7 meeting heard a talk by Louis A. Orsini, group manager of Bureau of A&H Underwriters, who discussed "Hospital Admissions Procedures for Group Hospitalization Insurance."

Rental A&H Plan at Seattle

A rental A&H plan has been set up for Seattle Apartment Operators Assn. in London Lloyds through Carroll Hedlund & Associates of Seattle. This is a policy which for 1% of the apartment operators' rental pays the rent of a tenant while he is disabled as a result of sickness or accident for up to two months. There is a one-week waiting period for sickness.

The operators' association has 600 members, and this plan is believed to be the first on the west coast. There is a similar plan in effect in the east.

Name Mid-West Chairman

Hastings A. Smith, general agent of New England Mutual at Indianapolis, has been appointed chairman of the 1954 Mid-West Management Conference, to be held Oct. 21-23 at French Lick, Ind.

Mr. Smith, a past president of Indiana Assn. of Life Underwriters, served as vice-chairman of the conference this fall.

The Mid-West conference, which first met in 1938, is considered the oldest of the association-sponsored management meetings and annually draws attendance countrywide.

Attends Office Opening

Attending the opening of the southeast Wisconsin office of New York Life at Milwaukee was Walter Weissinger, northwest division field vice-president of the company. Manager is Harold E. Stanards and assistant manager is Albin H. Otto.

Defer Union Insurance Hearing

The public hearing on labor union insurance which New York insurance department, state labor department and a special commission investigating harness racing tracks had scheduled for Dec. 8 and 9 will be held Dec. 15 and 16.

George Trosk is special counsel handling the inquiry for the insurance department.

Tex. Legal Reserve Officials Elect Pierce P. Brooks

Pierce P. Brooks, president of National Bankers Life, was elected president of Texas Legal Reserve Officials Assn. at its annual meeting at Austin.

Other new officers are Charles G. Eidson, Sr., American Bankers, vice-president; R. E. Cowling, Southern

States Life, 2nd vice-president; J. H. Oates, American Empire Mutual of Austin, secretary, and William Hunter McLean, American Standard Life of Fort Worth, assistant secretary.

Fayard, Booker Are Named

Life of Georgia has appointed Russell F. Fayard, formerly in the home office district training department, as district manager at Greenville, Miss., and has promoted O. R. Booker, staff manager at Middlesboro, Ky., to manager at Paducah, Ky. Both have been with the company eight years.

MacArthur, Dunne Indicted for Third Time in Georgia

Another Georgia grand jury, this one at Dodge county, has returned indictments against John MacArthur, president of Bankers Life & Casualty, and James E. Dunne, publisher of the Insurance Index, on charges of libeling Commissioner Cravey of Georgia, and including also Gov. Talmadge, Telfair and Pulaski county grand juries had previously returned indictments on the issue involving Commissioner Cravey.

"The Taurus personality is lucky in money..."



"basically shrewd and has a fine sense of timing. Astrologically speaking, he is best suited for a career in finance and may look forward to a life of ease and luxury." Not this Taurus.

Some astrology. Some predicting.

Plain fact, as every life insurance agent knows, is that you can't predict the future. The Union Central agent also knows that you can prepare for the future on the basis of what happens to most people and still take care of the exceptions.

Certainly the best preparation is life insurance. And Union Central offers policies and combina-

tions of policies to meet every life insurance need from birth to age 70.

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THE UNION CENTRAL

LIFE INSURANCE COMPANY

CINCINNATI, OHIO

Provocative Issues Are Smothered at NAIC Meet

(CONTINUED FROM PAGE 3)

to introduce it. Mr. Fraizer said it would not hurt anyone. He said the bill would not be enacted in its present form, but would simply be a starting point.

Kavanaugh of Colorado said the Farm Bureau, Grange and National Farmers Union were unitedly against the agents licensing bill in his state. He said he asked the farm representatives whether the farmers think they have a God-given right to sell insurance without license. The reply was that they are going to try to get it that way.

Most of the debate was in the realm of property insurance.

The final action on the proposed uniform rules for sale of credit life and credit A&H insurance was to put the matter over for further study. This was the decision at the final executive meeting of commissioners Friday. On the previous day the report of the committee had been received and it appeared that the rules that had been agreed upon by a sub-committee Aug. 27 at a meeting at Columbia, S. C., would be approved.

Commissioner Allyn of Connecticut

is credited with having brought about the side tracking of the matter. The life committee had refused previously to accept an amendment to the proposed rule that would have eliminated a reference that the life people objected to as containing the germs for possible rate regulation of life insurance. One of the rules in the Aug. 27 draft reads: "Policy exceptions should be a minimum consistent with the rate structure, and rates should be reasonable in relation to the benefits provided for."

There was proposed on behalf of the industry an amendment to this stating that A&H policy exceptions should be a minimum consistent with the rate structure and the benefits should not be unreasonable in relation to the premiums charged as contemplated by the all-industry bill.

In an executive session of the life committee, at which the rules were approved, Maloney of California favored a stipulation that there was no endorsement or approval given of the sale of credit cover where there is an identifiable charge made to the borrower. This was adopted.

Household Finance Corp. was again prominently on the scene opposing any rules that could possibly be construed as approving the use of credit life and

credit A&H insurance on transactions subject to the uniform small loan act. Paul Boyer and Wayne Cook carried the torch for H.F.C. on this. Mr. Cook incidentally occupied the insurance desk in the Illinois attorney-general's office for part of the time when J. Edward Day was insurance director. Hence he is very familiar with insurance matters.

The subcommittee on credit insurance attached to its report a copy of the statement read by Mr. Cook containing the position of H.F.C. The subcommittee said it is neither approving nor disapproving, the statement of H.F.C. and this was attached merely as part of the proceedings of the subcommittee.

The subcommittee went on to recommend that the life committee appoint a subcommittee of actuaries to study the problem of adequate reserves in regard to credit insurance.

The A. & H. committee in its final report, noted that at the committee hearing there was considerable discussion of the subject on the agenda: "Is A&H insurance advertising misleading and, if so, what can be done to remedy the situation?" A motion that the matter be stricken from the agenda failed to carry. The A&H committee said the members gave recognition to the fact that certain abuses exist with respect to advertising but they believe that this exists in only a very minor percentage of the total A&H business transacted. The committee voiced the opinion that there has been a general improvement over the past few years as a result of the activities of the individual commissioners and NAIC as well as a recognition of the problem by the industry. There is adequate statutory machinery in almost all of the states and "we recommend that the individual commissioners be alerted to enforce these laws more aggressively. We urge the members of the industry to assist by expanding their self-policing program... It is the opinion of the committee that there is every reason to anticipate steady progress



Lendon Knight of Royal Neighbors and Mrs. Knight at NAIC convention

toward a solution of this problem by state regulatory officials."

The committee said that it was decided to leave the question to the subcommittee on Blue Cross-Blue Shield of "Should there be a rule establishing liability on maternity and chronic conditions when one insurer's group coverage is succeeded by another?" The committee noted that there were two diametrically opposite views expressed by the industry on this. Some companies suggested that the original insurer should carry on the policy while others thought that the succeeding carrier should take the burden. The former view seemed to be more prevalent.

The subcommittee on Blue Cross-Blue Shield in its report gave a run down on the meeting of the subcommittee with the Blue Cross people Oct. 2-3 at White Sulphur Springs. The subcommittee accepted the proposal that each commissioner consider the requirement of systematic accumulation of a subscribers guarantee fund by Blue Cross-Blue Shield plans of not less than 2% of earned premiums until a certain maximum is reached with the proviso that this may be used by a plan for claims or expenses upon notice to the commissioner of its intent to do so together with a plan for corrective steps such as a premium increase or a contract change.

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need not be a segregated item of surplus in the presentation to the public of surplus, but the surplus shall be so separated in the financial statement furnished to the insurance department. Any use of the guarantee fund by a plan need not be included as a deficit or foot-note item in any public financial statement. Any amount used shall be a first call on subsequent free surplus earning of the plan.

The subcommittee said that if a rule like this can be made generally effective, then 5 or 10 years hence the financial position of Blue Cross-Blue Shield plans will be considerably improved.

The subcommittee endorsed the principle of a reserve for deferred maternity benefits wherever contractual liability exists. Jay C. Ketchum of Michigan Medical Service is to submit typical formulae for guidance of the subcommittee. The question of segregating this reserve as a separate liability was left for later decision. Involved in the reserve problem is the question of terminal maternity liability or deferred maternity reserve for obstetrical benefits on the theory that it remains liable for such because its contract was in effect on the conception date despite its subsequent cancellation? If not, is the new insurer to assume such benefit by waiving the obstetrical waiting period provided in its contract on the general theory that benefits are based on a service performed at birth?

The subcommittee suggested that all states insist upon the completion of schedule "O" in the hospital and medical blank. This schedule was put in to indicate the adequacy of previous claims reserve. Also the unearned premium reserve must be clearly stated.

The subcommittee recommends that payments to member hospitals be related to hospital costs rather than on billings from hospitals which may have no relation to actual costs. This shall not be construed as suggesting lower hospital charges to Blue Cross subscribers than to other hospital patients. It is recommended that in the future, contracts between plans and member hospitals provide for this cost method wherever possible. It is recommended that on intrastate contracts the plans be required to give not less than 30 nor more than 90 days notice to subscribers of changes in subscription rates. The subcommittee recommends that supervisory officials insist that the plans complete the exhibit of underwriting gains and losses by lines of business.

The subcommittee recommended that in those states where there is no legislation or where the legislation is inadequate for the proper supervision of these plans the insurance departments take steps to remedy the situation.

The only matter on the agenda of the fraternal committee was whether the committee ought to be dissolved and in the discussion all speakers were opposed to this and so the fraternal committee goes on. Plans are under way for resubmission of a model fraternal code possibly in June of 1954.

Judge Paul E. Laymon, general counsel of Standard Accident, is the general chairman for the NAIC annual meeting at Detroit commencing June 6. He was watching the proceedings very carefully at Miami Beach. The headquarters will be the Sheraton-Cadillac hotel.

There was a luncheon for the commissioners proper and the press that was given by Lee Powell, former mayor of Miami Beach. This was a congenial

get-together and was featured by the presentation on the part of Paul Hammel, the Nevada commissioner, of a sackfull of silver dollars to D. D. Murphy of South Carolina, NAIC president. The gag was that as he extended the bag to Mr. Murphy, he dropped it and the recipient had the inglorious but rewarding task of picking the gifts from the floor.

The examinations committee adopted an instruction to be inserted in the examination manual to the effect that if the report of an association examination is not released within six months after completion and signature by a majority of the participating states, the chairman of any zone participating in the examination may make such report, or any part thereof, available to the individual states in his zone.

It was announced that the State Farm companies of Bloomington, Ill., will make a topical index of NAIC proceedings going back to the earliest years. This will be done by Miss Gridler of the State Farm staff. She is a lawyer and has had indexing experience.

In the list of contributions to the NAIC headquarters office for the fiscal year 1953-54 that was distributed it was shown that there were no contributions from Canal Zone, District of Columbia, Massachusetts, Montana and Utah. The states that had increased their contribution were Idaho, Indiana, Kansas, Missouri, Nebraska and Nevada. New York is by far the largest contributor with \$5,000, California is second with \$2,000 and Connecticut and Pennsylvania are tied for third with \$1,000 each. The income from June 1, 1953 to Nov. 24 of this year was \$25,466.

20-40 Rule Clarified

The NATIONAL UNDERWRITER in its edition last week erred in explaining one of the amendments to the model



T. T. Moore of Shenandoah Life and Alex Query of Prudential at NAIC gathering.



Murphy of South Carolina, president of NAIC, with J. Herbert Graves of National Old Line of Little Rock at NAIC meeting.

group life bill that was adopted by NAIC. The association eliminated the old \$20,000 limit per life and instead put in a \$20,000 limit with the proviso that if 150% of the annual compensation of the person from his employer exceeds \$20,000, then the group term insurance shall not exceed \$40,000 or 150% of the annual compensation, whichever is the lesser.

Ore. Insurer to Start Soon

The new insurer that is being formed at Portland under the title Ins. Co. of Oregon is taking over the business of Northwest H. & A., a small mutual association. The company, which will have

\$200,000 capital and \$300,000 surplus, plans to get under way early next year. Presently about \$350,000 of stock already has been subscribed tentatively pending approval of incorporation. There will be 20,000 shares valued at \$25 each, with individual investments limited to \$10,000.

Temporary president is John C. F. Merrifield, general agent for Connecticut Mutual Life at Portland. Among other founders are Harry W. Trueblood, secretary and treasurer of Northwest H. & A., and Malcolm L. Williams, Oregon manager for Guardian Life, both of Portland. When formation of the company is completed, Mr. Merrifield will become chairman.



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EDITORIAL COMMENT

Tradition Honored Despite Provocation

New York Life's reticence in disclosing the whereabouts of Thomas C. Buntin should serve as a useful reminder to the public that life companies consider their relationships with their policyholders confidential and do their best to keep them that way, even under conditions that might seem to exonerate the fullest possible disclosure.

Mr. Buntin, by disappearing from Nashville and going to Orange, Tex., to live under an assumed name, made it possible for his heirs to collect on his \$50,000 life insurance by having him declared legally dead. In the process of recovering some \$31,000 still in a trust fund in a Nashville bank,

New York Life finally located Mr. Buntin. Yet despite the trouble and expense he had put the company to, it did not reveal his whereabouts, its only interest being to prove he was still alive so the \$31,000 could be recouped for the benefit of the other policyholders. The company still regards its file on Mr. Buntin as strictly confidential.

In refusing to help publicize the plight of one of its policyholders, New York Life has exemplified a tradition of the life insurance business that is seldom put to such a dramatic test but is nevertheless implicit in the company-policyholder and agent-policyholder relationship.

Earnings—the Yardstick of Performance

Earnings are so closely tied in with an agent's success as a salesman that it seems curious that any other criterion is used by companies to measure the performance of their agents and agencies. There are rare instances when an agent is making a lot of money but on such an unsound basis that it is sure to lead him to grief, but by and large the money-making agent is the successful career agent.

Nevertheless, at the recent L.I.A.M.A. meeting in Chicago, Clarence B. Metzger, 2nd vice-president Equitable Society, said his company started using first-year commissions as the measure of performance for agents, units, and agencies in January, 1940, but that to his knowledge "we are one of the very few companies of the 600-odd who follow this practice today."

Years ago, when ordinary life was the main thing sold and the percent-

age of higher premium forms was fairly constant and term sales were almost negligible, a production measured in terms of volume could be regarded as meaning something. Today, with all the emphasis on selling according to needs, one agent may be selling \$1 million a year largely in term insurance and family income riders while another sells mostly retirement income policies. A comparison of their performances means just about nothing at all. After all, what matters is the amount that the agent makes in money and not the face amount of insurance he sells. He may be putting a lot of protection in force but if he isn't doing a good job for himself financially he isn't going to be around very long to do all the good he might have done if he had been making enough money to permit him to remain in the insurance business.

The Least a Family Can Get By On

Life insurance prospects who underestimate what their families would need to live on if deprived of support might be interested to know the results of a public opinion poll conducted in New York state by Princeton Research Service. This disclosed a widespread belief that \$75 a week is the smallest amount of money a family of four can get along on. It was the median amount named by those who answered the following question: "What do you think is the smallest weekly income an average family of four in your community—a man, wife and two children—needs to get along on these days?"

Incidentally, in the towns and cities with populations exceeding 2,500, the size of the community seems to have little influence on the amount, \$75 being the median named in each city size, from New York on down. However, people living in rural areas named a figure of \$65 a week on the average. Also, there was no significant difference in the answers given by manual workers and white collar workers, both naming the \$75 median. The professional workers and business owners and managers felt, on the average, that \$80 a week is the smallest amount a family of four could get by on.

In view of these figures, it seems obvious that if any prospect for life insurance tries to make out that his family could get by on less than about

\$75 a week he is letting his thinking be distorted by his reluctance to lay out the money for the insurance protection he needs.

PERSONAL SIDE OF THE BUSINESS

Michael Fogoros, Jr., who, as reported last week, is



Michael Fogoros, Jr.

manager of a new Phoenix Mutual Life agency at Toledo, has been with the company since 1946. He began as an agent at Cleveland. After graduating from the company's supervisors' training school at Hartford in 1951, he served in managerial positions at Minneapolis, Washington, Newark and Hartford. The new agency, to serve metropolitan Toledo, also will be headquarters for district offices to be established in northwest Ohio.

Norman A. Morse, president of Home State Life, has been elected president of Oklahoma City Kiwanis Club. J. D. Morse, chairman of Home State, was president of the club in 1940.

Four insurance commissioners who are also the securities commissioners of their states got to stay over at Miami Beach for another fine convention. This was the gathering of National Assn. of Securities Commissioners and started at the Roney Plaza right after the close of the NAIC meeting at the Sans Souci. Those who got this double dose of Miami Beach were Murphy of South Carolina, Fischer of Iowa, Larson of Florida and Knowlton of New Hampshire.

Edward D. Mitchell, chairman of Beneficial Standard Life, has returned from a world tour begun Oct. 7. While abroad Mr. Mitchell visited Hawaii, Japan, Hong Kong, Bali, Istanbul, India, Israel, Rome, Paris and London, among other far off places.

Roy Cox, general agent for Security Life & Accident at Houston, has been reelected president of the Southgate Civic Club there. Mr. Cox was nominated from the floor and chosen by acclamation, an unusual procedure for the civic club which ordinarily approves a slate brought in by the nominating committee.

Mrs. Robert E. Barrett, wife of the Illinois insurance director, lost her jewelry while at Miami Beach for the NAIC convention. While she was out shopping, a thief entered the Barrett room in the Sans Souci hotel, sprung the lock of Mrs. Barrett's jewel box and made away with items that were

valued, according to the daily newspaper reports, at \$5,800. Of special value was a diamond bracelet that originally belonged to Mr. Barrett's mother. Just a few days earlier, Mrs. George Barrett, sister-in-law of Mrs. Robert E. Barrett, was called back from the Miami Beach convention by the death of her mother at Fort Wayne. The Barretts were having something of a family reunion there, as a married sister of George and Robert Barrett lives at Miami.

Edward F. Baumer, director of public relations for Prudential's western home office at Los Angeles, was elected western regional vice-president of Public Relations Society of America at its national conference in Detroit. Mr. Baumer also has been named general chairman for the PRSA national conference to be held at Los Angeles in November, 1955.

Mack R. Ball, Jr., new Houston manager for New York Life, joined the

company there in 1948, thus becoming its first Texas agent after a 41 year lapse. New York Life had withdrawn from the state in 1907. Mr. Ball later was made assistant manager at Houston and in 1949 manager at Fort Worth. He was advanced to western division supervisor with headquarters at New York in 1952 and for the past year has headed the Wichita agency.



Mack R. Ball

Feature B. M. Anderson

Buist M. Anderson, vice-president and counsel of Connecticut General Life, while at Miami for the NAIC convention, addressed a dinner meeting of Southern Estate Planning Council at Miami on "Some Life Insurance Problems of Yesterday and Today." Charles A. Moorehead was program chairman.

Plan Cincinnati CLU Course

Cincinnati CLU chapter in cooperation with the University of Cincinnati will sponsor a course in part A of the CLU study program, beginning February 1. Thereafter part A will be taught every other year.

J. C. Schuetz, Jr., Midwest Life of Nebraska, has been elected president of the Toastmasters Club at Casper, Wyo.

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—LIFE INSURANCE EDITION

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DEATHS

Franklin D'Olier, Former President of Prudential, Dies

Col. Franklin D'Olier, 76, president of Prudential 1938-1946, died in Morristown, N. J., Memorial Hospital Thursday after several months illness. He joined Prudential in 1926 as vice-president in charge of administration and shortly thereafter became also a director. It was during his presidency that the final few stockholders were persuaded to relinquish their stock and Prudential effected 100% mutualization. He was at the helm during the war years but in 1946 was succeeded by Carrol M. Shanks. He continued as chairman for a year and as a director until his death. He was first national commander of the American Legion.



Franklin D'Olier

ARTHUR F. REINHARD, 59, secretary of Federal Life & Casualty, died at Grace hospital, Detroit. He had been ill about six months, having been stricken after helping direct the move of the company offices from Detroit to Battle Creek. He had been with Federal L. & C. since 1942, serving as auditor until 1950, when he became investments manager. He was elected secretary in 1952.

JOHN S. MCGHEE, district manager of Home Beneficial Life at Richmond, Va., died in a hospital there. He had been with the company since 1912 and district manager since 1925.

DONALD BRUCE, comptroller of the district agency department of John Hancock, died after a three-week illness. Mr. Bruce joined the company 40 years ago at Yonkers, N. Y., and after serving as cashier and field accountant at New York and Philadelphia, went to the home office in 1930 as supervisor of district accounts, ad-

vancing to comptroller in 1943. He was active in LIAMA and during World War I served in the navy.

MRS. GRACE W. McCURDY, 67, past supreme oracle of Royal Neighbors and a former president of National Fraternal Congress, died at her home at Des Moines. A national figure



MRS. GRACE W. McCURDY

in fraternal life insurance, Mrs. McCurdy served 23 years as a supreme officer of Royal Neighbors and for 12 years before her retirement in 1950 was supreme oracle. Mrs. McCurdy was president of NFC in 1943-44, headed the NFC presidents section in 1942-43 and also was a past president of Iowa Fraternal Congress.

GEORGE A. MYER, general agent at Harrisburg for Mutual Benefit Life, died. Mr. Myer entered the business after graduation from Johns Hopkins and joined Mutual Benefit at Baltimore in 1937. In 1939 he went to the home office field service division and in 1942 was appointed general agent at Harrisburg.

RALPH W. MOORHEAD, 56, associate publisher of Underwriters Review, Des Moines, died at his home there after a two-months illness. His death was caused by cancer. Mr. Moorhead had been with De Puy publications since 1920, and also was associate publisher of Northwestern Banker and

Seven Get Promotions At Occidental Home Office

Three officers of Occidental Life of California have been promoted and four others given officer designation.

A. B. Halverson and Claud S. Gillespie, former assistant secretaries, have been elected assistant vice presidents. Meno Lake, associate actuary, became actuary, succeeding Earl M. MacRae who has resigned to join New York Life.

New officers are O. L. Frost, Jr., associate counsel; Josephine Beers, assistant actuary; Aubrey L. Hampton and E. K. Umbarger, assistant secretaries.

Mr. Halverson joined Occidental in 1936 after three years with Federal Reserve Life. In 1946 he was elected assistant controller and last year appointed assistant secretary, taking charge of the operational phases of Occidental's group activities.

Mr. Gillespie entered insurance as an underwriter for Northwestern National in 1932 and joined Occidental's underwriting department in 1937. In 1947 he was named assistant manager of the underwriting department, the following year manager, and in 1951 was elected assistant secretary.

Mr. Lake was with Great-West Life from 1938 to 1940. He joined Occidental as actuarial clerk, and after naval service became senior underwriter. In 1950 he was named to supervise actuarial research, was elected assistant actuary the following year, and associate actuary in 1952.

Mr. Frost joined Occidental in 1948

the Iowa-Nebraska Bank Directory, companion publications. He started as associate editor and circulation manager of Underwriters Review and Northwestern Banker. He served as editor of both magazines from 1923 until his appointment as associate publisher in 1932.

CLAUDE J. JOHNSON, 73, district manager for Northwestern Mutual Life at Youngstown, O., died.

HERBERT E. DIETER, 57, Metropolitan Life regional group manager at Cleveland, died suddenly at Gulfport, Miss., a short time after he had been taken ill while attending a field management meeting of the company's south central territory. He had been with Metropolitan since 1923, starting as group sales supervisor at Pittsburgh. He had been with the Cleveland group office since 1929.

and was appointed assistant counsel in 1952. Miss Beers, whose brother, Henry S. Beers, is a vice-president of Aetna, was with Travelers from 1929 to 1935, and Western American Life from 1935 to 1938 when she joined Occidental. She subsequently became supervisor of the mathematics section, in 1946 was named supervisor of the group annuities section, and was appointed acting assistant group actuary in 1949.

Mr. Hampton after seven years as chief bookkeeper of Equitable Life joined Occidental in 1937. He later was manager of the annuity section, chief clerk in the claims, A & H, and accounting departments, manager of the renewal department and then the combined renewal and cashiers departments. Mr. Umbarger has been with Occidental since 1938, serving as assistant to the group secretary, assistant group secretary and manager of the group accounting department.

Cal. Life Boosts Stock

California Life has increased its paid in capital and surplus to more than \$500,000 by the sale of a substantial block of its class "A" stock.

The company recently appointed Sumner C. Hvassman as vice-president and a director. Mr. Hvassman had a long insurance career before joining Continental Casualty in 1940. In 1951 he went with Security Mutual Life of New York where he was executive assistant.

H. B. Wickes, who recently set up offices in San Francisco as a consulting actuary, will assist the management of California Life on a consulting basis. Mr. Wickes was until recently vice-president of Security Mutual Life of New York.

California Life is constructing an addition to its home office building in Oakland.

Names Vail at Houston

John A. Vail is the new manager in Houston for InsurOmedic Life.

● Savannah Electric & Power Co. has arranged for a loan of \$3 million to finance construction, through the sale of \$2 million in 4% first mortgage bonds to New York Life and \$1 million in these bonds to Provident Mutual. New York Life also has purchased 6,000 of 7,000 shares of 5.36% cumulative preferred stock (\$100 par) of the power company.



There are Unusual Opportunities in Other States, Too!

Similar fine organizational opportunities await other good men in various cities and groups of counties (and other states yet to be developed) throughout the country. You, too, will deal direct with the home office. We are now in the process of building a vast organization of top producers to participate in our 50th Anniversary Celebration. But meanwhile profit immeasurably by representing us NOW! Better act quickly!

These Five Fertile Fields Await Profitable Cultivation!

In an active program to build business in ILLINOIS, WISCONSIN, CALIFORNIA, PENNSYLVANIA and SOUTH DAKOTA, this strong, aggressive life company seeks high-calibre men. If you live in any of these states, learn what a splendid future you can have by growing with us.

This can well prove to be an unusual LIFE opportunity to develop business by appointing sub-agencies and selling our portfolio of time-tested insurance. You will have direct contact with the home office. Immediate field training and sales assistance will be provided personally by our State Manager at no cost to you. You will also be further backed by proved and profitable promotions to develop leads that will help you make sales and obtain agents. If you have the ability, this is your chance to build a fine and lucrative agency. Are YOU the man in your state who can grasp this opportunity?

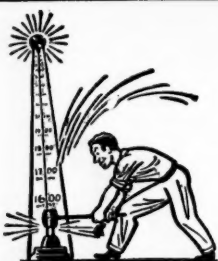
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History of ALC Reviews Half-Century of Insurance

(CONTINUED FROM PAGE 2)

Chicago office.

Of nostalgic interest to those who have grown up in the life insurance business and either lived through the early periods or closely associated with those who did, the book should also be of definite practical value as well as fascinating reading to those who number their association with life insurance in recent years only. This applies not only to ALC members but anyone who would wish to profit by the experience and memories of the men who have been responsible for the tremendous growth of life insurance in America.

To give just a few ideas of what the two volumes contain, after a chapter of origin and antiquity, the beginning of life insurance, there are such important milestones discussed as the earliest attempts at company cooperation; first actuarial efforts and actuarial accomplishments; the general agency system; Tontine dispute; state regulation and taxation; agitation for federal supervision; formation of Actuarial Society of America; insurance journalism; Armstrong committee investigation hearings and testimony; trial by press; the actual organization of ALC; Committee of Fifteen and model laws; legislation resulting from Armstrong investigation; first annual meeting of ALC and Assn. of Life Insurance Presidents.

Also, compulsory investments, organization of various ALC sections; group insurance dispute; federal income taxation; 1917-1919 war clauses and war risk insurance; "federal interest" plan of these years and post war problems; preliminary term valuation; formation of American Service Bureau and Life Office Management Assn.; the depression decade, including Reconstruction Finance Corp.; New Deal, mortgage moratoria; protective legislation for life insurance; NIRA; unemployment and old age pension insurance; the TNEC ordeal and NAIC war clause recommendations.

Also, National Service Life Insurance; wage and hour regulation; "McAndless" federal tax formula; World War II regulations; valuation and non-forfeiture laws; merger proposal of ALC and Assn. of Life Insurance Presidents; joint committees; U. S. vs. SEUA; public law 15; federal estate taxation; Gearhart resolution; group insurance definition; compulsory health insurance plans; status of agents; federal "stop-gap" tax; and opening of ALC Washington office.

The convention reports that the history is currently reaching libraries of many cities, colleges, universities and public offices, and distribution is being effected through ALC state vice-presidents. In Nebraska 100 sets have been placed in as many libraries, which were selected by member companies in the state. Individual company orders have been received for as many as 100 copies for distribution to officers, general agents, directors and company libraries.

Peoria Breeds Executives

Several life insurance men now in high executive positions either got their start in the business at Peoria, Ill., or early entrenched themselves there.

They are Frederick A. Schnell, 2nd vice-president of Prudential; Chester O. Fischer, vice-president of Massa-

chusetts Mutual; Harold J. Cummings, president of Minnesota Mutual; Arthur Louette, president of Peoples Life of Indiana, and Lester O. Schriver, new managing director of National Assn. of Life Underwriters. The late Albert H. Kahler, a former president of Indianapolis Life, also boasted a Peoria background.

E. M. MacRae to N. Y. Life As Ass't Vice-President

Earl M. MacRae has joined New York Life as an assistant vice-president and will assist James T. Phillips, vice-president in charge of life underwriting.

Mr. MacRae has been with Occidental Life of California since 1937. Before being named actuary in 1948, he was in charge of the life underwriting department of Occidental. From 1928 to 1937 he was with Great-West Life.

A fellow of Society of Actuaries, Mr. MacRae also has served as president of Actuarial Club of the Pacific States and has been a member of the executive council of Home Office Life Underwriters Assn.

Franklin Names Chilton Manager in San Diego

Edward Chilton has been appointed at San Diego for Franklin Life. He entered life insurance nine years ago with California - Western States Life, advancing to manager at Long Beach.



Edward Chilton

He later went with Connecticut Mutual as manager and started an agency from scratch in Long Beach. Early in 1952 Mr. Chilton decided to return to San Diego and became associated with Occidental Life in personal production and new agent training.

John Duich and Ernie Cuadras, formerly supervisor and manager for American National; William Wheeler and Montie Wooley, both formerly with Occidental of California, are associated with the agency.

J. R. Williams Resigns

James R. Williams, vice-president of Western & Southern Life, has resigned to devote his time to other interests. Mr. Williams has been in military service for the last several years and returned recently from Korea.

He will continue as a director of the company.

HOLU-IHOU Plan Exam

The joint education and examination committee of Home Office Life Underwriters Assn. and Institute of Home Office Underwriters will hold another examination on underwriting in May of 1954.

The examination, consisting of two parts, is not intended to take the place of the more complete course offered by Life Office Management Association Institute.

To take the examinations and qualify for a certificate of proficiency a candidate must: Have credit for LO-MAI examinations 1, 2, 3 and 4, or parts I and II of the general proficiency course set by the Life Insurance Institute of Canada; be actively work-

ing in home office underwriting; and be recommended by a member of either the association or institute.

Applications for the examination may be obtained from Edward E. Sweetser, secretary-treasurer of the committee, New York Life, 51 Madison avenue, New York City.

American Bankers Names Tom Dobson General Agent

Tom Dobson has been appointed general agent at Gainesville, Fla., for American Bankers Life. He went to Gainesville in 1944 for Travelers.

Ira M. Kemp, Jr., who will be associated with Mr. Dobson, was with Reserve Life of Dallas before entering military service.

Lambert Named Manager

Shenandoah Life has opened a new office at Baltimore and has named William H. Lambert, Jr., manager. Mr. Lambert, who has several years' experience in life insurance work, is a veteran of the maritime service.



Okla. City Insurers Merge

Empire Life of Oklahoma City is being merged with Globe Life & Accident, also of that city. Empire, which has some 21,000 policies in force representing an annual premium income of \$250,000, was founded in 1946. John Campbell is chairman and R. Lewis Barton vice-president. John N. Singletary is chairman of Globe L. & A.

Deny IWO Rehearing

WASHINGTON—Supreme Court denied petition for rehearing in International Workers Order vs. State of New York.

WANT ADS

Rates—\$18 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.
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Want to be a Life General Agent?

Opportunities in Mississippi, Arkansas and Kentucky (some personal-producing general agent openings.) Top commissions. Extensive line with unique policies and attractive savings plan. Set-up ideal for experienced agents who can sell and want their own agency. Old line mutual legal reserve company. Our men know of this ad. Write Box V-44, The National Underwriter, 175 W. Jackson, Chicago 4, Ill.

ACTUARIAL OPENING

Medium sized Chicago company writing both Life and A & H has an opening in its Actuarial Dept. for an Actuarial student with two or three years practical experience. All replies will be kept strictly confidential. Address V-58, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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AGENCY SUPERVISOR with life ordinary experience. Good starting salary and opportunity for advancement. Give complete qualifications. Replies held confidential. **LEE NATIONAL LIFE INSURANCE CO.** 1403 Fairfield Ave., Shreveport, Louisiana.

Union C&L Officers Criticize Detroit Hearing

(CONTINUED FROM PAGE 1)

cents out of each dollar of premium was returned to the policyholders in claims and refunds. These figures indicate that while much ado was made in the hearings about a 17½% retention, in actuality the company retained far less than that."

As for the subcommittee's attempt to prove that Mr. Hoffa held an indirect stock interest in Union Casualty & Life, Dr. Perlman said its officers clearly demonstrated that neither Mr. Hoffa nor his union held any stock ownership in Union C. & L.

"The trustees of a welfare fund representing both management and labor did make an investment of \$250,000 in preferred non-voting stock," said Dr. Perlman. But even if the trustees exercised their conversion privilege by investing an additional \$100,000, thereby converting the preferred to common voting stock, the maximum stock ownership of the trustees of the welfare fund would be 27½% of the total. It is clear, therefore, that under no circumstances could the trustees of this welfare fund control the company.

Asked by THE NATIONAL UNDERWRITER about entertainment expenses mentioned in the testimony, Dr. Perlman said it should be borne in mind that these expenditures were made by United Public Service Corp., and not by Union Casualty & Life and that this general agency represented other insurance companies and in fact earned more in commissions from these other insurers than from business placed with Union C. & L.

"It should be clearly noted," said Dr. Perlman, "that the expenditure of these moneys was made by United Public Service Corp. on behalf of the several insurance companies which it represented. No charge was made at the House subcommittee hearings nor was any contention made that these moneys were expended by Union Casualty and Life."

The testimony indicated that United Public Service Corp. spent for entertainment connected with solicitation of group business \$5,200 in 1950 and \$26,075 in 1951. But, said Dr. Perlman, these expenditures for entertainment by an organization the size of this agency, which had premium writings in excess of \$10 million and annual commission earnings of more than \$600,000, would not appear to be excessive.

Vohs, Morris Are Advanced by Continental Assurance

Continental Assurance has named George H. Vohs and Donald E. Morris assistant secretaries. Mr. Vohs is at New York City, in charge of the eastern department collection and service office. Mr. Morris is at the home office in charge of group underwriting.

Mr. Vohs joined Continental 16 years ago in the home office and later became manager of the agency accounting division. He went to New York in 1952.

In his 25th year with Continental, Mr. Morris began in the actuarial division and in 1937 transferred to the agency department. He became manager of group underwriting in 1942.

Anthony Senory has been appointed district manager at Framingham, Mass., for Prudential. He joined the company in 1937 as an agent in New Bedford, Mass., and eight years later was advanced to staff manager. In 1951 he was president of New Bedford Assn. of Life Underwriters.

Additional 1954 Dividend Action Announced by Companies

Funds Left with Company				Funds Left with Company			
Company	Current Policies	Old Policies	Accum. Div'd.	Company	Current Policies	Old Policies	Accum. Div'd.
Aid Assn. for Lutherans	Same as '53	Same as '53	3	Ohio State	Same as '53	Same as '53	3
Citizens L. & C.	Same as '53	Same as '53	2.5	Pacific Mutual	Same as '53	(e)	3
Commercial Travelers	Same as '53	Same as '53	3	Pan-American	Same as '53	Same as '53	3
Confederation, Can.	Same as '53	Same as '53	3	Penn Mutual	Same as '53	Same as '53	3
Gibraltar Life, Tex.	Same as '53	Same as '53	2.5	Provident Mutual	Increased	Increased	3
Great Southern	Same as '53	Same as '53	3	Rural Security, Wis.	Same as '53	Same as '53	2.25
Home Life, N. Y.	Same as '53	Same as '53	2.85	Security Benefit	Same as '53	Same as '53	2.5
				State Mutual, Mass.	Same as '53	Same as '53	3
				Teachers Ins. & Assn.	About 17% Inc. (f)	About 13% Inc. (f)	2.75
Homesteaders	Same as '53	Same as '53	3				
Hoosier Farm Bureau	Same as '53	Same as '53	2.5	Union Central	Increased		2.5
Jefferson Standard	Increased		4	Union Mutual, Me.	Same as '53		3(g)
John Hancock	Same as '53	Same as '53	3	Victory Mutual, Ill.	Same as '53	Same as '53	2.5 & 3.5
Mutual Benefit	Same as '53	Same as '53	3.15	West Coast Life	Same as '53	Same as '53	2.5
National, Vt.	Increased	Increased	3	Wisconsin Life	Same as '53	Same as '53	2.5
National, S. D.	Same as '53	Same as '53	2.5	World Ins. Co.	Same as '53		Guaranteed Rate 2.75
Northwestern Mutual	Increased	Increased	3				
Ohio National	Same as '53	Same as '53	3				

(d) To March 31, 1954 (e) Issues prior to July, 1938, generally increased. (f) Life insurance (g) 2.5% on Interest Income Option. All schedules are effective Jan. 1, except Commercial Travelers, which is March 1, and Jefferson Standard, which is April 1.

Life Counsel Association Elects Brooke President

(CONTINUED FROM PAGE 1)

dent and general counsel of Bankers Life of Iowa. He joined the company as attorney in 1937, was elected assistant counsel in 1938, general counsel in 1947 and to his present position in 1951. A law graduate at University of Iowa in 1931, he practiced law in Des Moines until going with Bankers. He served in the navy during the last war.

Mr. Brooke is a member of the legal section of American Life Convention, and of the joint ALC-LIA legislative committee and chairman of its sub-committee on the federal tax program.

Walter G. Nelson, Jr., National Life of Vermont, in his paper on home office counsel and the practice of law, said common sense and a genuine effort to look at situations from the viewpoint of the general practitioner will usually enable home office counsel to steer clear of trouble. Mentioning that home office counsel "are permitted to participate modestly in the newest profession, estate planning, provided they limit their opinions to the distribution of the insurance estate of the client," Mr. Nelson said it must be made abundantly clear to the client that final responsibility for the tax and other legal aspects of the estate plan must be left with the client's own counsel.

John Barker, Jr., New England Mutual, led a discussion on this paper.

Harry S. Redeker, Fidelity Mutual Life, gave a paper on the pros and cons of the cross-purchase and "entity-purchase" plans for policies to implement buy-sell agreements. His own preference is for entity-purchase, in which the corporation or partnership buys the insurance. He said advantages include simplicity and being able to keep more insurance in force as successive partners or shareholders die. However, decision as to which plan to use should rest with the attorney for the applicants after careful consideration of all the facts, he said. Mr. Redeker feels that recent rulings and decisions tend to support the entity-purchase advocates, but he refrained from criticizing those who prefer cross-purchase plans until more of the entity-purchase problems have been litigated.

George F. Purvis, Jr., Pan-American Life, said life insurance is suffering from overregulation by the states, partly because the business cooperated in the passage of much legislation that gives state regulation more protection than it needed from the intrusion of federal regulation. To preserve management's independence, he suggested that the business stand fast in its position that life insurance is a legitimate business in which a citizen of good character has a right to engage without arbitrary restriction, that where regulation is necessary the business take every means to see that it is by law, not by men, and require that definite standards be fixed in the law, with delegated authority strictly defined, and that the business review existing regulation on the basis of fair and honest contracts, financial solvency, and honest management and then go to work for the repeal of needless measures and the adoption of those that are necessary.

Papers were also presented by J. T. Tipton, Volunteer State Life, on the bankruptcy of the policy owner; Frank P. Aschemeyer, General American Life, on the life insurance law of Missouri, and John W. Graham, Imperial of Canada, on investment opportunities in Canada for life companies.

Declare Probes Demand Positive Insurance Action

(CONTINUED FROM PAGE 1)

missioners would like to see federal control of mail order insurance and that it is quite possible if they disagree with the NAIC committee's position they will testify individually before the Langer committee.

Ralph McNair of the LIA Washington office discussed the Wolverton committee's hearings. This is the House interstate and foreign commerce committee, which has public health under its jurisdiction. This committee seems to be concentrating more and more on the problem of catastrophic medical expenses. He touched on the testimony of life insurance people at the hearings held in October. He said that since then the companies have been helping the committee compile data on existing major medical insurance plans.

This discussion was during the forum led by Morton Boyd, president of Commonwealth Life and of LIA. Mr. Boyd talked on the need for cutting down the number of meetings of various life insurance organizations. He expressed disappointment at what had been done thus far, saying that except for the just-announced decision of Assn. of Life Insurance Counsel to drop its winter meeting next year, no important action had been taken toward implementing the recommendations of the joint LIA-ALC committee headed by President Louis W. Dawson of Mutual Life.

Discussing the business's obligations to the public, Mr. Boyd said that while the original purpose of life insurance trade associations was defensive, today the affirmative aspect is in the ascend-

ant in trying to win public regard and that more could be done if life insurance executives took a more active part in public affairs.

Bruce E. Shepherd, manager of LIA, talked on the activities of the association and how its work coordinates with that of other groups in the business. This talk appears elsewhere in this issue as does a report on the investment outlook given the second day by James J. O'Leary, LIA director of research. Other talks were made Wednesday by Igor Sikorsky of United Aircraft Corp. on "Helicopters of Today and Tomorrow," and by President Ralph C. Hutchison of Lafayette University on "Human Freedom and Foreign Policy."

Debunks Idea Executive Sets More Killing Pace

Facts belie the commonly held opinion that the American business executive lives at a pace that kills, according to Dr. Harry E. Ungerleider, director of medical research for Equitable Society.

Basing his conclusion on life insurance mortality experience, Dr. Ungerleider pointed out that individuals carrying large amount policies, who may be considered representative of the executive group, fare no worse than others insured for smaller amounts.

Speaking at the mid-year meeting of the American Pharmaceutical Manufacturers' Assn. at New York City, Dr. Ungerleider also noted that today "deaths from cancer, suicide and violence are about the same in the large amount policy group as among insured lives in general, but surprisingly, deaths from diseases of the heart and circulatory system, including apoplexy, are significantly lower."

Dr. Ungerleider stressed that executives cannot be viewed as a homogeneous type, often depicted in caricature. "There is no particular health problem that is unique to the executive as distinguished from other industrial employees or the population at large," he said.

The periodic health inventory of executives, Dr. Ungerleider continued, should encompass the same studies conducted among employees as a whole, with one important exception which is inexpedient on a mass scale. "Individual interviews and skilled history taking by a perceptive physician yields invaluable information concerning the health and problems of executives, which may not be elicited by any laboratory tests however detailed," he said.

In his five years as John Hancock Mutual general agent at Detroit, Lloyd J. Lynch has more than doubled production, raising the agency's rank from 14 to five among all others, and tripling the staff force to 30 men.

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Small Firms Are Big Market for Pension, Profit-Sharing Plans, Huber Forum Told

NEW YORK—Pensions and profit-sharing plans for the moderate-sized business were discussed in detail at the annual estate planning forum of the Solomon Huber agency of Mutual Benefit Life in New York City. About 275 accountants, trust officers, and lawyers were guests, along with members of the agency.

Solomon Huber

It was brought out that there is a tremendous market for pension and profit-sharing plans among small firms, even those with as few as three employees.

Besides Mr. Huber the lecturers were Samuel N. Ain, New York City consulting actuary and formerly actuary of the internal revenue bureau's pension trust division; James C. Wiggins, attorney and administrator of employee benefit plans for Mutual Benefit Life; and David Stock, New York City lawyer, specialist in taxation and estates, and formerly special attorney in the treasury department.

Mr. Ain warned against some of the pitfalls likely to be encountered in setting up a modest size pension plan. One is the question of who shall be covered and when coverage shall begin. Limiting coverage to certain classes of employees and requiring a minimum number of years of service may be appropriate in some situations but it may lead to undesirable results in others.

In limiting the privilege to certain classes of employees the employer may feel that he can more adequately provide for such employees as are to be covered. However, he must be careful that the plan is not so restrictive as to be considered by the internal revenue bureau discriminatory in favor of stockholders, executives, supervisory and highly paid personnel, with a consequent loss of preferred tax status.

Also, by setting age and/or service requirements there is the danger that the employer may start with a gross misconception of the long-run cost he is assuming. This can easily happen, particularly with a young, growing enterprise, when the group initially eligible for the plan is quite small. As more and more individuals satisfy the eligibility requirements the group will increase substantially so that what was initially introduced as a method of keeping the apparent cost low may in the long run produce results financially embarrassing to the employer.

Another technique which may have unexpected results is restricting coverage to employees earning at or above some minimum level. The value of this as a limiting technique becomes progressively less during inflation. This has been the experience of many employers with plans established during the after the second world war, when compensation levels increased so rapidly that the small groups originally eligible for coverage under the plan have been considerably augmented.

Mr. Ain said that designing a pension plan for a modest size group is not very different from a plan for a

large group but in any case the approach should be to seek a plan designed for the needs and objectives of the group rather than one that will fit within a preconceived pattern or one that is developed primarily with consideration for the cost.

Mr. Wiggins strongly recommended the use of individual policies for funding the moderate size plan. He pointed out that this makes the plan fully insured with no risk being assumed by the employer. There is level premium funding from entry to retirement, while the package of retirement and death benefits provides very low priced insurance coverage. Also the individual policy plan provides many valuable policy options not ordinarily available under other funding methods.

Mr. Wiggins also made the point that pensions are now well established as a fundamental part of our economic life, having been greatly accelerated by social security and the efforts of organized labor. He said pensions must be recognized as part of the cost of doing business and that once adopted they may not be lightly discarded even though the tax advantages diminish considerably.

Mr. Stock gave a comprehensive picture of the history of pensions and profit-sharing plans. He said it is important to be familiar with all the tax laws, rules, and limitations before attempting to devise a pension or profit-sharing plan because many of these permissions and limitations will directly affect what can be done.

Much Planning Goes Into MDRT Programs

(CONTINUED FROM PAGE 3)
author and lecturer, at the 1952 MDRT meeting.

Another characteristic of MDRT programs is that they reflect an effort to originate or bring something new to the business. One of these was the room-hopping review, which permitted those whose primary interest was in one type of discussion to obtain also the high points of what went on in other discussions.

Another innovation—as respects use on a sizable scale in the life insurance business—was the “buzz session” technique employed at the 1953 meeting, in which the assemblage gathers in knots of 10 or 12 and formulates questions or viewpoints which are transmitted by each unit's elected spokesman.

Besides Chairman Byrnes, the program committee includes two vice-chairmen, Francis Fenn, Jr., National of Vermont, Hartford, and Gordon Orput, New England Mutual, Portland, Ore.; and Harold Bickerstaff, London Life, Toronto, Nathan Burgheim, Northwestern Mutual, St. Louis, William D. Davidson, Equitable Society, Chicago, Sadler Hayes, Penn Mutual, New York City, Robert U. Redpath, Jr., Connecticut Mutual, New York City, Lester Rosen, Union Central, Memphis, Adon Smith II, Northwestern Mutual, Charlotte, N. C., and Charles Weiss, New England Mutual, New York City.

Meeting at the same time as the program committee was the executive committee, headed by G. Nolan Bearden, New England Mutual, Beverly Hills, Cal.

ASSOCIATIONS

Richmond, Va.—The responsibility of the agent to the insurance public is being outlined by George A. Hatzes, general agent of Fidelity Mutual Life, at a meeting Dec. 11.

Omaha—H. P. Gravengaard, editor of the Diamond Life Bulletins, talked on “Ideas that Sell Business Insurance” at one of the best attended luncheon meetings ever. Nearly 160 persons turned out. Duane Sink, Lafayette Life, chairman of the attendance committee, was commended for the large attendance. He in turn explained each agency in Omaha has appointed a coordinating man who works closely with the association to see that tickets are sold and that as many as possible attend meetings.

Buffalo—E. Price Ripley, National Life of Vermont, Roanoke, Va., will address a meeting Dec. 17.

Peoria—Lawrence W. Jackson, executive assistant of the general agents & managers conference of the National association, spoke at a luncheon sponsored by the general agents & managers division of the local association. Others on the program were James L. Cave, manager here for American National and president of the general agents & managers division, and Margaret Becker, executive secretary of the local association.

Las Cruces, N. M.—Officers of this new association are Robert Schatzabel, president; Pat Campbell, vice-president, and Gordon Thorp secretary-treasurer. Casey Kayser, president of the El Paso chapter, and Earl Leininger, also of El Paso, addressed the inaugural meeting.

Charleston, S. C.—“The Contribution of Insurance to Democracy” was discussed by Lester L. Bates, Columbia.

Milwaukee—A. Jack Nussbaum, Massachusetts Mutual, N.A.L.U. trustee, moderated a breakfast panel on “Specific Needs—The Stepping Stones to Programming.” Panelists were Hyman B. Parks, Prudential; Victor O. Langen, Mutual Life, and Roland E. Meissner, Jr., New York Life.

St. Paul—Clifford L. Morse, secretary and director of agencies of Phoenix Mutual Life, spoke.

San Antonio—Ben P. Atkinson, manager at Austin for American General Life and secretary of the Texas association, spoke and legislative plans of the state group were presented.

Oklahoma City—A skit, “The Paralyzed Partner,” produced by the local CLU chapter, was presented. The play dramatized the difficulty of a business man who finds his operations completely arrested by legal complications after the death of his partner. Oscar R. Davis, CPA, explained how this difficulty could have been avoided by a business life insurance policy combined with a binding buy-and-sell agreement. Plans are being made for a public relations campaign, with Charles W. Saulsbury, Great Southern Life, tentative general chairman.

Youngstown, O.—The association has begun weekly courses in advanced underwriting subjects with 40 persons enrolled for a six-month period. Instructors are Robert W. Whitacre, Union Central Life manager, and Max Heini. Graduates of the course, which is recommended by the National association, will receive diplomas.

Atlanta—“The Road Ahead” was discussed by Hilbert Rust, president of R & R Service. His talk was built around possible business developments in 1954.

New Orleans—The association presented an award as outstanding life insurance man of 1953 to James W. Smither, Jr., general agent here for Union Central Life.

Green Bay, Wis.—The Northeastern Wisconsin association has launched a series of weekly sessions for those interested in the L.U.T.C. program.

Reader Not Transferred

Ronald R. Reader, general agent of Massachusetts Mutual at Lawrence, Mass., who recently assumed management of the Manchester, N. H., agency as well, has not been transferred to Manchester, as stated in the Nov. 27 issue. He will continue to make his headquarters at Lawrence.

• Dale B. Potts, brokerage manager at Milwaukee for Occidental of California, spoke at a meeting of Milwaukee Fraternal Life Underwriters Assn.

Insurers Win on Premium Tax

Security Benefit Assn. of Topeka has won a premium tax case before Circuit Judge Crow of Sangamon county. It was held that the old fraternal assessment business that is being carried on by this company is not subject to premium tax in Illinois. The state contended that since S. B. A. is a legal reserve life company, the old fraternal business lost its tax exempt status. Attorney Thor Wanless of Springfield represented S. B. A.

Mr. Wanless also won a premium tax case involving Commercial Life of St. Louis. This is a stock company which as of Dec. 31, 1952, reinsured the business of Commercial Life of Springfield, Ill., which was an assessment company. The state tried to impose a premium tax on the 1952 premiums of the Illinois company in the hands of the St. Louis company. Judge Crow agreed, however, with Mr. Wanless that Commercial of St. Louis should be taxed as a new company entering the state and be subject at the outset to the \$25 per month tax instead of the regular premium assessment that is imposed on seasoned foreign insurers.

Garfield Case Against Equitable Is Continued

The action of Gustave Garfield to get the New York department to move against Equitable Society directors because of criticisms in the triennial examination report was adjourned in New York county supreme court from Dec. 9 to Dec. 16.

Lock to Commonwealth

Reed M. Lock has been appointed regional III manager in the home office of Commonwealth Life of Louisville, where he will have charge of the company's district office agencies. He has been with Commonwealth since 1946, as field training manager and later as assistant manager for the Cumberland district with headquarters at Pineville, Ky.

Three New LIA Members

NEW YORK—Newly admitted to Life Insurance Assn. membership are: Monarch Life, Monumental Life and United Benefit Life.

Move South Coast to Houston

South Coast Life, which two weeks ago merged with American Country Life, is moving its home offices from Beaumont to Houston, according to Joe Woodward, president of the merged companies. The employees of South Coast were invited to move to Houston, and 15 accepted. The remainder were mostly women.

• David B. T. Myrick has been named brokerage manager and Muriel R. Schaffel cashier at Beverly Hills for the Sayre-Toso & Schaefer California general agency of Great-West Life.

• Life Agencies Cashiers Assn. of Detroit and Windsor will hold its Christmas cocktail party at the Norton Palmer hotel in Windsor Dec. 16 at 6 p. m.

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UNITED BENEFIT LIFE PASSES

BILLION *in* FORCE

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By reaching its first billion-in-force during this, its 27th year, United Benefit Life set a *new world's record!*

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United

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HOME OFFICE: OMAHA, NEBRASKA

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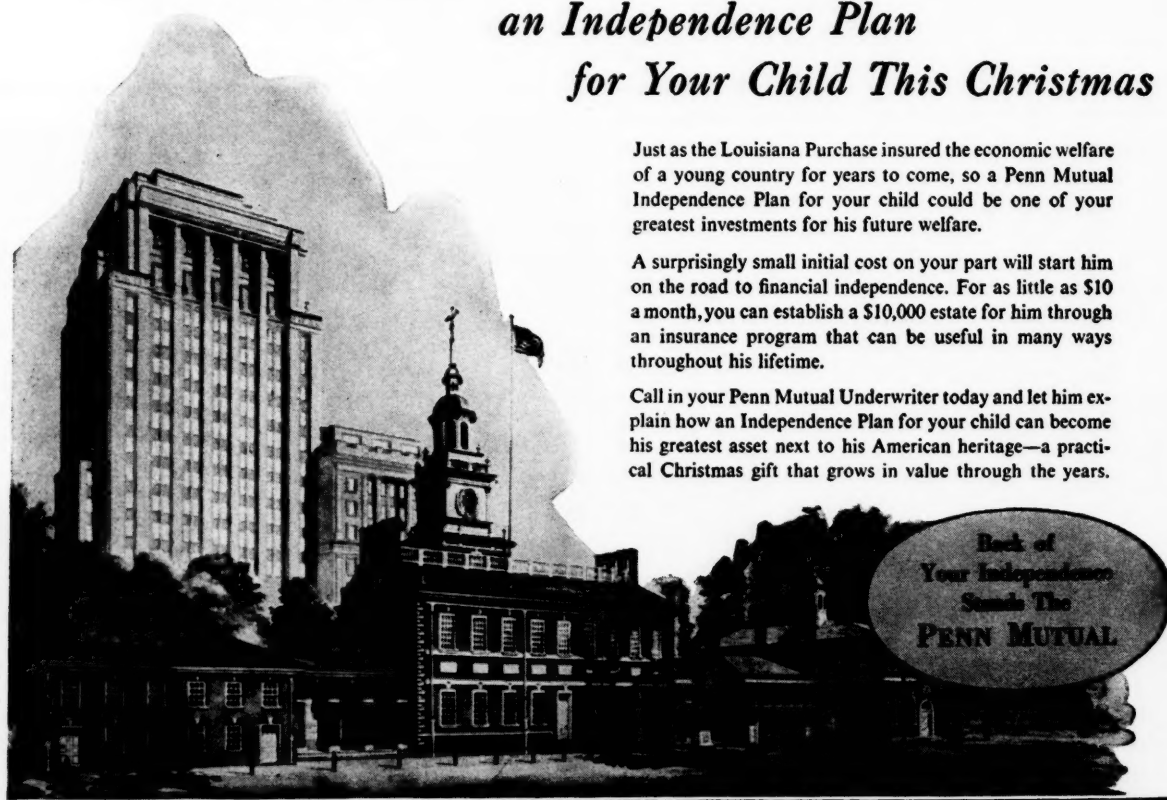


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